

# Bay County VEBA

Investment Performance Review  
Quarter Ending  
September 30, 2016



THE  
**BOGDAHN  
GROUP.**

*simplifying your investment and fiduciary decisions*



I am delighted to announce that we will be rebranding our firm early next year to reflect our enduring commitment to true independence and our firm's desire to always put our clients first.

In September of 2000, our founder, Joe Bogdahn, started Bogdahn Consulting, LLC. In an industry dominated by brokerage firms and conflicted service models, he realized early on that only true independence would provide the platform for an institutional consulting firm to offer objective advice and guide clients through an increasingly challenging world. Joe shared his vision with me soon thereafter; I quickly appreciated the power of the independent model and our shared desire to put the client first in every aspect of our business dealings.

As the firm has evolved and grown over the past 16 years, and as we have recruited talented employees and businesses from around the country, this foundation remains the bedrock of what we do and think about every day – always putting our clients' interests first. We are very proud of the service culture we created and continue to foster within our firm.

As an important milestone, we recently transitioned the majority ownership of the firm from our founder to the next generation of leaders. We believe this was a very important step in solidifying our business and ensuring we can continue to serve clients without interruption or disruption in our core servicing philosophy of "clients first". Our employees continue to exemplify a relentless pursuit of serving our clients within an independent structure every day.

The timing of this rebrand corresponds with the expansion of employee ownership and participation, as well as our collective passion of putting clients first in everything we do. While the change will occur early in 2017, we wanted to share this exciting news with you as early as possible. Until then, please contact your consulting team to keep you up to date with developments along the way.

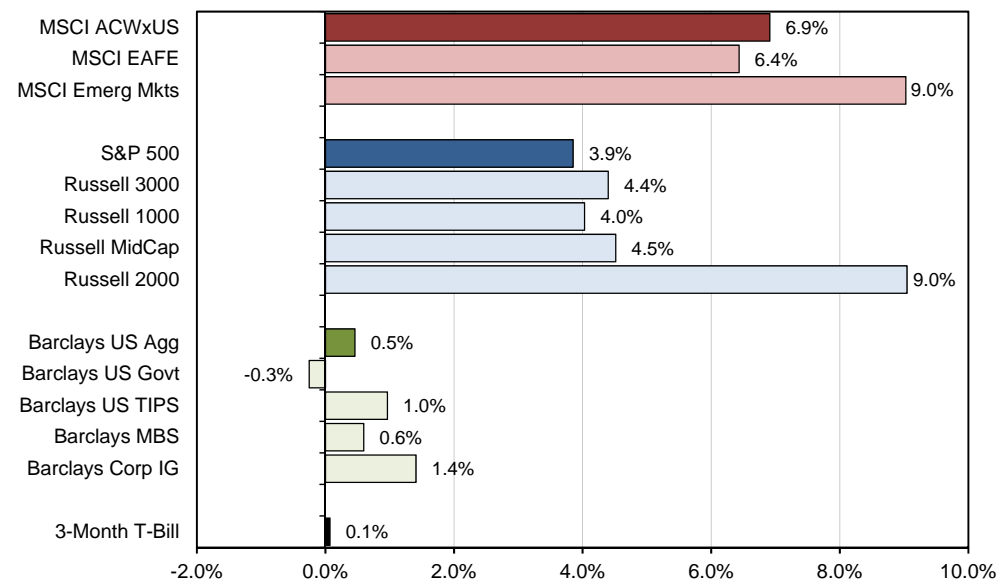
We appreciate your business and the opportunity to serve you. Here, our clients will always be first.

Sincerely,

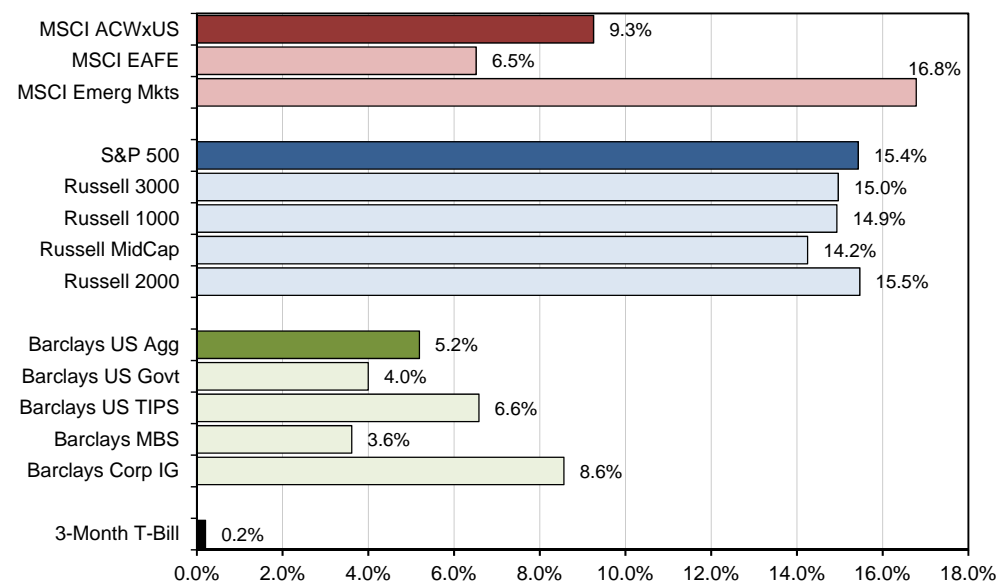
Mike Welker  
President/CEO

- Asset class returns were broadly positive for the 3rd quarter as global markets continued to rebound from the late June shock caused by the U.K.'s decision to leave the European Union. Investment returns also benefited from continued expansionary global central bank policies as well as general improvement in economic data. Domestic and international equity, particularly small cap and emerging markets, easily outperformed bonds as investor sentiment shifted once again to a "risk-on" posture. Returns for the trailing twelve months illustrated a similar pattern with higher risk assets generally outperforming defensive investments.
- Equity market indices were positive for the 3rd quarter and the 1-year period. Domestic stock market returns represented by the Russell 3000 Index have been solid, returning 4.4% for the 3rd quarter and 15.0% over the trailing year. Within domestic stocks, the small cap index doubled the performance of other domestic indices with a return of 9.0% for the quarter. This strong outperformance for the quarter also elevated the small cap benchmark marginally past the return of domestic equity indices for the 1-year period. Similar to domestic equity results, international equity indices also yielded robust performance for the 3rd quarter. In U.S. Dollar (USD) terms, the MSCI ACWI ex U.S. Index (net) appreciated 6.9% for the quarter and 9.3% over the last year. The Emerging market index posted its third straight quarter of outperformance relative to developed market MSCI-EAFE Index (net). The MSCI Emerging Market Index (net) posted returns of 9.0% and 16.8%, respective, for the 3rd quarter and 1-year period versus returns of 6.4% and 6.5% for the MSCI EAFE Index (net).
- Despite a brief drop in yields at the start of the 3rd quarter, the U.S. Treasury yield curve moved higher as interest rates rose moderately across the maturity spectrum. This upward shift in the yield curve caused U.S. Government bonds to post negative returns for the quarter. In contrast, the investment grade corporate and mortgage-backed bond components of the Aggregate benchmark managed to post positive performance for the quarter. Investment grade corporate issues benefited from increased demand for yield, which led to tightening credit spreads throughout the quarter, particularly in lower credit quality issues.

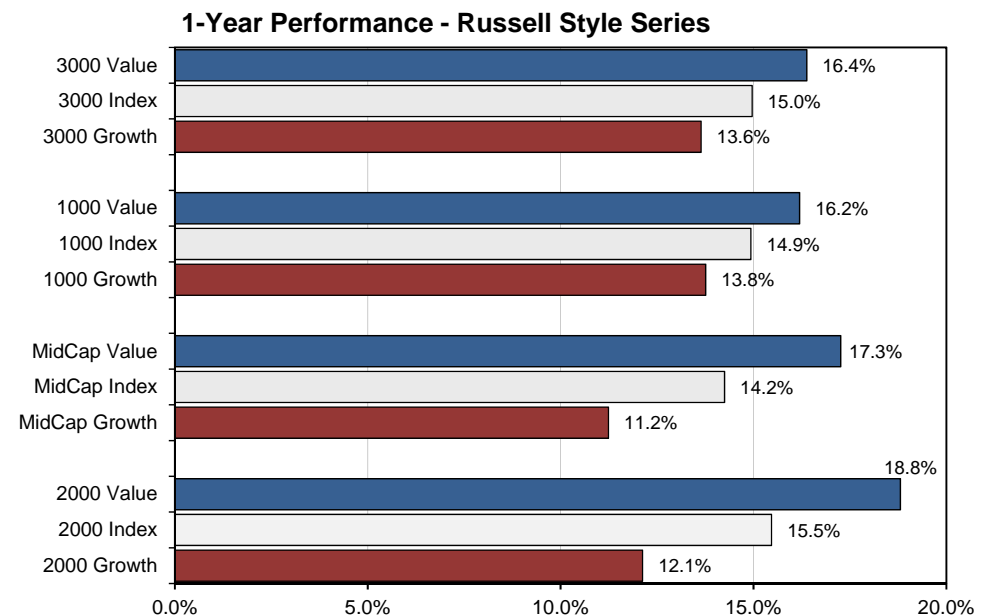
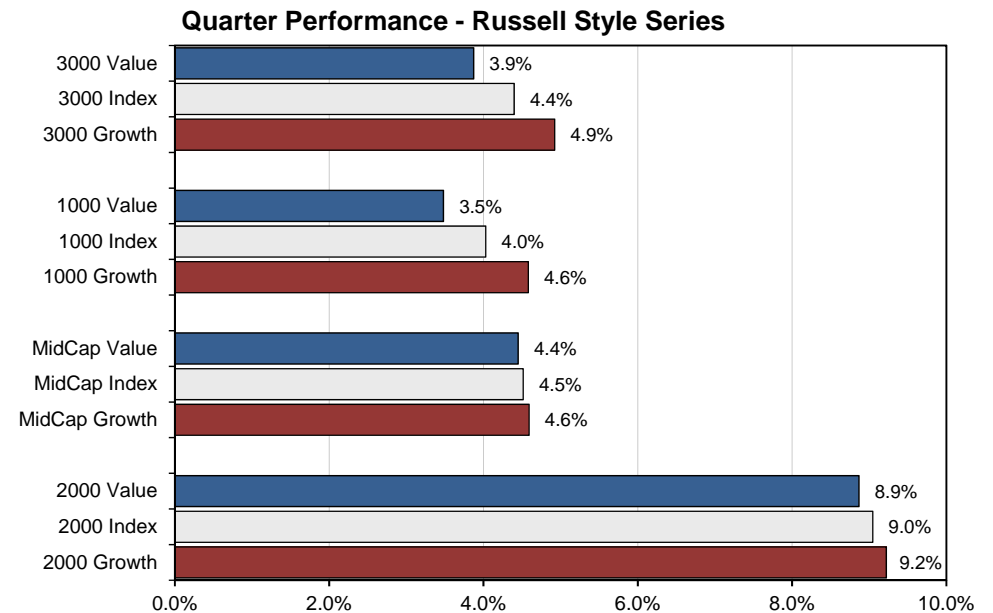
### Quarter Performance



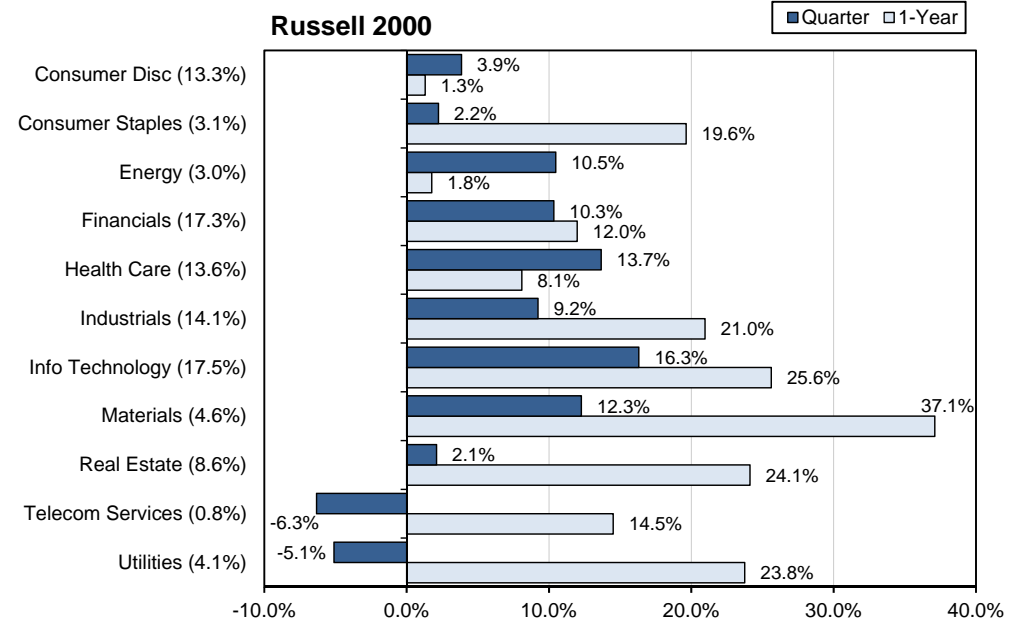
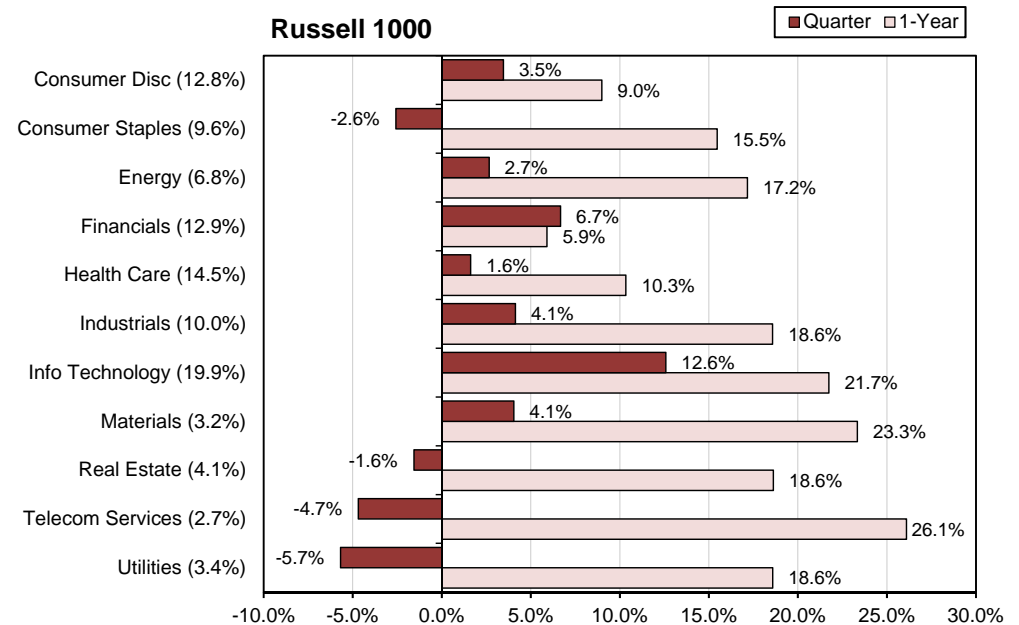
### 1-Year Performance



- U.S. equity index returns were positive across the style and capitalization spectrum during the 3rd quarter. The enthusiasm from generally better than expected 2nd quarter earnings and positive macroeconomic data early in the quarter were tempered by rising expectations the U.S. Federal Reserve (Fed) would tighten monetary policy by increasing short-term interest rates in September. While the Fed ultimately decided to leave short-term interest rates unchanged, Fed Chair Janet Yellen provided guidance that the case for a rate increase had been “strengthened”, increasing the odds of a rate hike before the end of the year, but likely not until after the November election cycle.
- Growth stocks marginally outpaced value stocks across the capitalization spectrum for the 3rd quarter, reversing the trend of value outperformance for the first half of 2016. Growth index results were led by investors seeking the potential return premium associated with faster growing companies. Growth index performance also benefited from larger weights to Information Technology, the best performing economic sector for the 3rd quarter. As with the core indices, small cap style benchmarks were the best performers across the capitalization spectrum, doubling their mid and large cap counterparts. Despite a strong 3rd quarter for growth indices, the style-based performance reverses over the 1-year period with the more defensive value indices outpacing growth indices across the capitalization spectrum.
- From a valuation perspective, equity valuations appear stretched relative to historical levels based on their forward Price/Earnings ratios (P/E). Even the most attractively valued indices are trading modestly above their historical valuation averages. The large and mid cap growth indices trade at valuations near their respective historical average, while the remaining indices range between 106% and 114% of their 15-year averages.



- Large cap sector performance was polarizing for the 3rd quarter with a performance span of 18.3% between the best and worst performing sectors. Seven of eleven sectors within the Russell 1000 Index posting gains for the period but only four economic sectors outpaced the 4.0% return of the broad Russell 1000 index. The Information Technology sector was the quarter's best performer. The sector's return of 12.6% was supported by a strong earnings season. Financial securities also performed notably well, returning 6.7%, as market participants considered the heightened possibility of a near-term interest rate hike. The prospect of higher interest rates represented a headwind to more defensive sectors, reversing a trend of outperformance in the Utilities, Real Estate, Telecommunications and Consumers Staples sectors. Utilities were the worst performers, returning -5.7% for the quarter. Sector performance over the 1-year period has been remarkably solid with all eleven economic sectors posting positive results, and nine posting double-digit returns. Despite its negative performance for the 3rd quarter, the Telecommunications sector was the best performer over the 1-year period with a return of 26.1%. Financial stocks have struggled relative to other sectors over the 1-year period as the persistent low interest rate environment continues to inhibit bank profits.
- Small cap sector performance was generally positive for the 3rd quarter with nine of eleven sectors advancing. However, much like large cap sector results, the performance span between the best and worst performing sectors was a large 22.6% for the period. While the trends observable in the large cap index generally persisted in the small cap benchmark, small cap sector performance outpaced the respective large cap sector result in ten of eleven sectors. Also similar to large cap issues, higher yielding, defensive sectors lagged the more cyclical, economically sensitive sectors. Over the 1-year period, higher dividend paying Real Estate, Utilities and Telecommunications sectors posted double-digit performance despite their relatively weak 3rd quarter results. Although positive, the Consumer Discretionary and Energy sectors lagged over the 1-year period returning 1.3% and 1.8% respectively.
- Using the S&P 500 as a proxy, forward P/E ratios for six GICS sectors were below their long-term (20-year) averages at quarter-end. The Information Technology and Telecommunications sectors were trading at the largest discount to their long-term average P/E ratios. In contrast, Energy and Utilities sector valuations were the most extended relative to their historical P/E ratios.



**The Market Environment**  
**Top 10 Index Weights & Quarterly Performance for the Russell 1000 & 2000**  
As of September 30, 2016

Top 10 Weighted Stocks				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Apple Inc	2.96%	18.9%	4.7%	Information Technology
Microsoft Corp	2.08%	13.3%	33.7%	Information Technology
Exxon Mobil Corp	1.74%	-6.1%	21.6%	Energy
Amazon.com Inc	1.56%	17.0%	63.6%	Consumer Discretionary
Johnson & Johnson	1.55%	-2.0%	30.2%	Health Care
Facebook Inc A	1.38%	12.2%	42.7%	Information Technology
Berkshire Hathaway Inc B	1.31%	-0.2%	10.8%	Financials
General Electric Co	1.30%	-5.2%	21.1%	Industrials
AT&T Inc	1.20%	-5.0%	31.2%	Telecommunication Services
JPMorgan Chase & Co	1.16%	8.0%	12.5%	Financials

Top 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
Puma Biotechnology Inc	0.00%	125.1%	-11.0%	Health Care
The Chemours Co	0.00%	94.7%	151.1%	Materials
Genworth Financial Inc	0.00%	92.2%	7.4%	Financials
Lumentum Holdings Inc	0.00%	72.6%	146.4%	Information Technology
Copa Holdings SA Class A	0.01%	69.3%	118.4%	Industrials
Groupon Inc	0.01%	58.5%	58.0%	Consumer Discretionary
Ionis Pharmaceuticals Inc	0.02%	57.3%	-9.4%	Health Care
bluebird bio Inc	0.00%	56.6%	-20.8%	Health Care
GoPro Inc A	0.00%	54.3%	-46.6%	Consumer Discretionary
Penske Automotive Group Inc	0.01%	54.2%	2.3%	Consumer Discretionary

Bottom 10 Performing Stocks (by Quarter)				
Russell 1000	Weight	1-Qtr Return	1-Year Return	Sector
SunEdison Inc	0.00%	-64.5%	-99.3%	Information Technology
Corrections Corp of America	0.01%	-58.8%	-48.6%	Real Estate
SunPower Corp	0.00%	-42.4%	-55.5%	Information Technology
Quorum Health Corp	0.00%	-41.5%	N/A	Health Care
The Hain Celestial Group Inc	0.02%	-28.5%	-31.0%	Consumer Staples
Diamond Offshore Drilling Inc	0.01%	-27.6%	2.4%	Energy
Bristol-Myers Squibb Company	0.43%	-26.7%	-7.4%	Health Care
Tractor Supply Co	0.04%	-25.9%	-19.3%	Consumer Discretionary
Dollar General Corp	0.09%	-25.3%	-2.2%	Consumer Discretionary
NRG Energy Inc	0.02%	-25.1%	-22.2%	Utilities

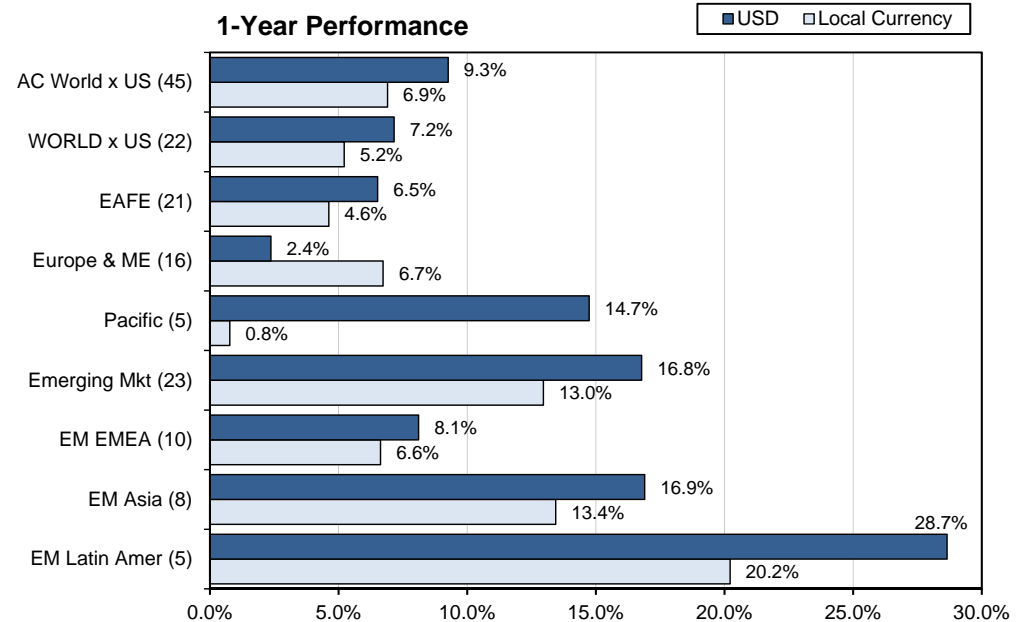
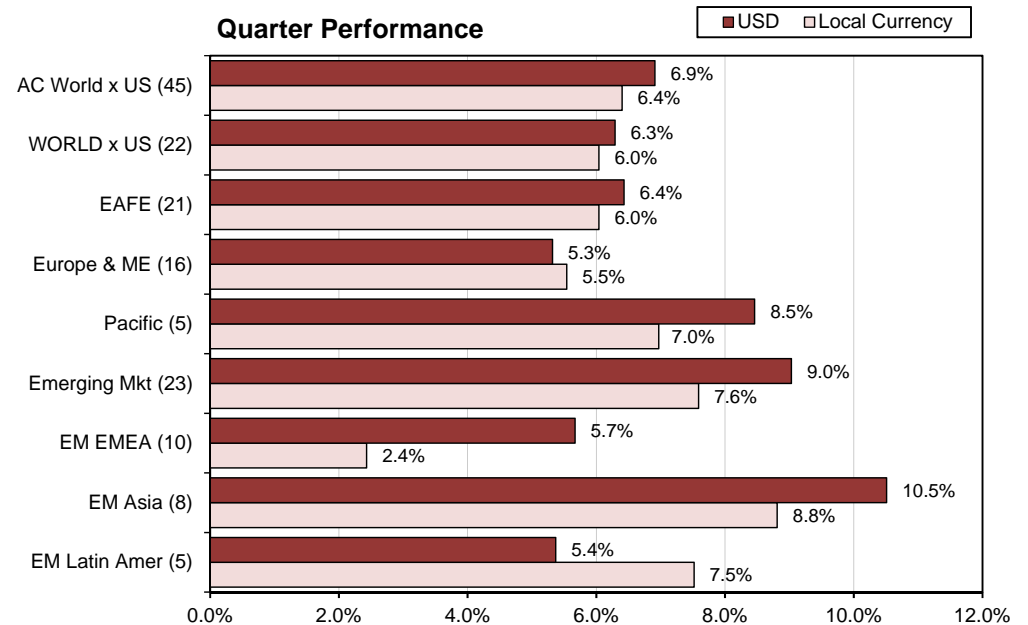
Top 10 Weighted Stocks				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Microsemi Corp	0.27%	28.5%	27.9%	Information Technology
Advanced Micro Devices Inc	0.26%	34.4%	301.7%	Information Technology
Gramercy Ppty Tr	0.23%	5.7%	54.8%	Real Estate
Curtiss-Wright Corp	0.23%	8.1%	46.7%	Industrials
Idacorp Inc	0.23%	-3.2%	24.4%	Utilities
Healthcare Realty Trust Inc	0.22%	-1.8%	42.7%	Real Estate
Aspen Technology Inc	0.22%	16.3%	23.4%	Information Technology
Fair Isaac Corp	0.22%	10.3%	47.6%	Information Technology
Cepheid	0.22%	71.3%	16.6%	Health Care
Portland General Electric Co	0.22%	-2.8%	18.8%	Utilities

Top 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Seventy Seven Energy Inc	0.00%	20366.9%	1265.9%	Energy
Sarepta Therapeutics Inc	0.15%	222.0%	91.2%	Health Care
Tobira Therapeutics Inc	0.02%	216.4%	311.4%	Health Care
Clayton Williams Energy Inc	0.03%	211.1%	120.1%	Energy
Ultra Petroleum Corp	0.00%	184.6%	-21.6%	Energy
Cloud Peak Energy Inc	0.00%	164.1%	106.8%	Energy
Clovis Oncology Inc	0.07%	162.8%	-60.8%	Health Care
Acacia Communications Inc	0.03%	158.6%	N/A	Information Technology
Abeona Therapeutics Inc	0.00%	154.2%	48.1%	Health Care
Healthways Inc	0.05%	129.1%	137.9%	Health Care

Bottom 10 Performing Stocks (by Quarter)				
Russell 2000	Weight	1-Qtr Return	1-Year Return	Sector
Horsehead Holding Corp	0.00%	-93.8%	-99.4%	Materials
Fairway Group Holdings Corp A	0.00%	-89.2%	-99.3%	Consumer Staples
Key Energy Services Inc	0.00%	-82.1%	-91.2%	Energy
Violin Memory Inc	0.00%	-80.2%	-86.8%	Information Technology
Code Rebel Corp	0.00%	-80.0%	-99.9%	Information Technology
CytRx Corp	0.00%	-73.6%	-75.2%	Health Care
Tokai Pharmaceuticals Inc	0.00%	-72.2%	-85.2%	Health Care
Novavax Inc	0.03%	-71.4%	-70.6%	Health Care
6D Global Technologies Inc	0.00%	-66.7%	-98.3%	Information Technology
Intra-Cellular Therapies Inc	0.03%	-60.7%	-61.9%	Health Care



- Similar to domestic equity benchmarks, the 3rd quarter was largely positive for international equities with developed and emerging market indices posting solid returns in both USD and local currency terms. The currency impact on returns was mixed during the quarter and the performance differential was more muted than recent quarters. Similar to the 3rd quarter, results for the 1-year period were also broadly positive in both USD and local currency.
- European stocks bounced back during the 3rd quarter as markets recovered from the immediate negative assessment of the U.K.'s vote to leave the European Union. Although the impact of the referendum will likely have economic consequences, they are not near-term in nature. While European Central Bank (ECB) President Mario Draghi signaled that further monetary policy stimulus would be available if needed, the ECB, supported by generally positive economic data in the region, left monetary policy unchanged through the quarter. U.K. economic data also surprised to the upside through the quarter as the Bank of England (BoE) launched a series of expansionary monetary policy measures and Theresa May became prime minister following the resignation of David Cameron.
- Japanese equities rose sharply through the quarter, gaining 8.6%, as elections within Japan's House of Councilors strengthened the position of Prime Minister Abe. The result of the elections made way for the announcement of a \$28 trillion Yen fiscal stimulus package. In addition, the Bank of Japan (BoJ) increased the scale of its ETF purchasing program from \$3.3 trillion Yen to \$6 trillion Yen annually, and while it left interest rates unchanged, the BoJ placed a 0.0% ceiling on 10-year government bond yields and planned to reduce ongoing purchases of ultra-long Government bonds in an effort to influence the shape of their yield curve.
- Broad emerging market indices were positive throughout the quarter, outperforming their developed market counterparts. Asian markets, led by China, South Korea, and Taiwan were the best performers for the 3rd quarter in both USD and local currency terms. Over the trailing 1-year period, Latin America was the best performing region returning 28.7% in USD terms and 20.2% on a local currency basis as the region benefited from political tailwinds in Brazil and rising commodity prices. Russia, Egypt, and Indonesia were also notable positive performers over the period. Emerging European countries were laggards relative to emerging peers in Asia and Latin America.



**The Market Environment**  
**U.S. Dollar International Index Attribution & Country Detail**  
As of September 30, 2016

MSCI - EAFE	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	12.2%	10.9%	2.6%
Consumer Staples	12.8%	1.9%	13.9%
Energy	4.8%	-1.5%	15.6%
Financials	19.2%	11.0%	-6.7%
Health Care	11.4%	-2.4%	0.8%
Industrials	14.1%	8.6%	15.8%
Information Technology	5.5%	14.8%	18.1%
Materials	7.5%	15.8%	21.6%
Real Estate	4.0%	4.9%	12.4%
Telecommunication Services	4.8%	-0.4%	6.0%
Utilities	3.7%	0.1%	4.3%
<b>Total</b>	<b>100.0%</b>	<b>6.4%</b>	<b>6.5%</b>

MSCI - ACWIXUS	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	11.4%	5.8%	4.8%
Consumer Staples	11.1%	-0.7%	13.2%
Energy	6.6%	2.1%	20.5%
Financials	21.6%	10.1%	0.1%
Health Care	8.6%	0.1%	-2.2%
Industrials	11.7%	5.8%	13.8%
Information Technology	9.6%	15.6%	26.2%
Materials	7.5%	9.1%	24.8%
Real Estate	3.5%	4.9%	13.0%
Telecommunication Services	4.9%	2.0%	5.3%
Utilities	3.4%	2.6%	5.5%
<b>Total</b>	<b>100.0%</b>	<b>6.9%</b>	<b>9.3%</b>

MSCI - Emerging Mkt	Sector Weight	Quarter Return	1-Year Return
Consumer Discretionary	10.6%	9.6%	13.9%
Consumer Staples	7.9%	1.2%	10.1%
Energy	7.3%	8.0%	26.2%
Financials	23.7%	11.5%	14.6%
Health Care	2.6%	2.3%	4.5%
Industrials	5.9%	4.9%	1.2%
Information Technology	23.9%	16.1%	32.7%
Materials	6.4%	10.2%	23.7%
Real Estate	2.7%	7.7%	15.5%
Telecommunication Services	6.1%	2.2%	2.2%
Utilities	2.9%	0.9%	9.3%
<b>Total</b>	<b>100.0%</b>	<b>9.0%</b>	<b>16.8%</b>

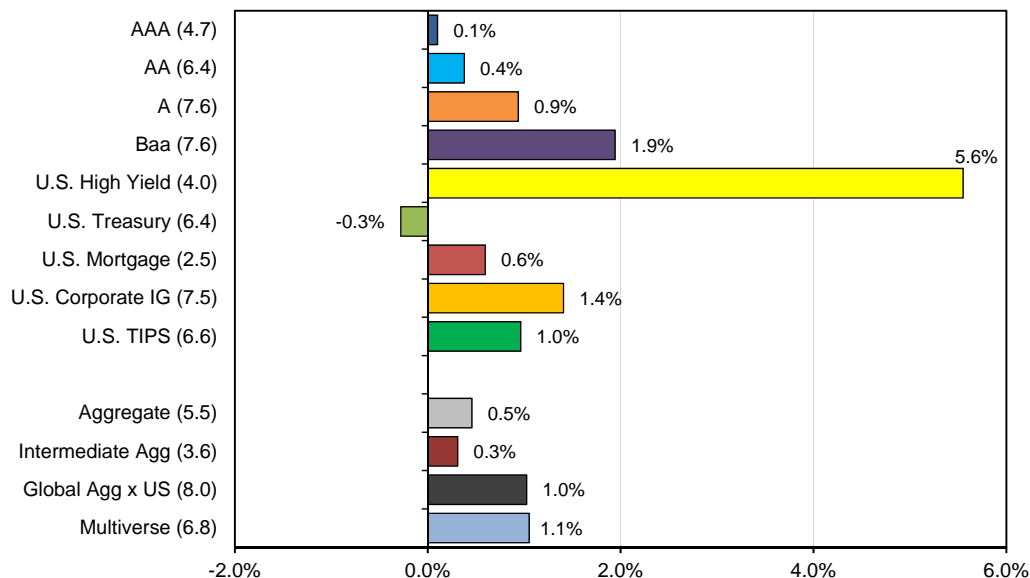
Country	MSCI-EAFE Weight	MSCI-ACWIXUS Weight	Quarter Return	1- Year Return
Japan	23.8%	16.7%	8.6%	12.1%
United Kingdom	18.9%	13.2%	4.0%	1.5%
France	9.7%	6.8%	6.4%	3.6%
Germany	9.0%	6.3%	10.0%	9.1%
Switzerland	9.0%	6.3%	2.6%	1.0%
Australia	7.3%	5.1%	7.9%	21.7%
Hong Kong	3.5%	2.5%	11.9%	19.1%
Netherlands	3.4%	2.4%	9.1%	10.4%
Spain	3.0%	2.1%	9.3%	-5.7%
Sweden	2.8%	2.0%	7.5%	3.9%
Italy	1.9%	1.3%	2.2%	-21.0%
Denmark	1.8%	1.2%	-6.3%	-1.5%
Belgium	1.4%	1.0%	5.0%	19.1%
Singapore	1.3%	0.9%	-0.2%	9.7%
Finland	1.0%	0.7%	7.4%	9.3%
Israel	0.7%	0.5%	-2.0%	-7.7%
Norway	0.6%	0.5%	6.3%	10.1%
Ireland	0.5%	0.3%	7.4%	-0.7%
New Zealand	0.2%	0.1%	12.4%	56.9%
Austria	0.2%	0.1%	16.7%	11.6%
Portugal	0.2%	0.1%	6.3%	11.2%
<b>Total EAFE Countries</b>	<b>100.0%</b>	<b>70.1%</b>	<b>6.4%</b>	<b>6.5%</b>
Canada		6.7%	4.9%	14.5%
<b>Total Developed Countries</b>		<b>76.9%</b>	<b>6.3%</b>	<b>7.2%</b>
China		6.2%	13.9%	13.0%
Korea		3.4%	11.0%	21.5%
Taiwan		2.8%	11.7%	22.7%
India		2.0%	5.9%	6.1%
Brazil		1.7%	11.3%	57.6%
South Africa		1.7%	6.3%	9.9%
Mexico		0.9%	-2.2%	-2.5%
Russia		0.9%	8.4%	25.2%
Indonesia		0.6%	9.5%	53.2%
Malaysia		0.6%	-1.5%	13.2%
Thailand		0.5%	7.2%	20.9%
Philippines		0.3%	-5.3%	6.6%
Turkey		0.3%	-5.3%	5.8%
Chile		0.3%	-1.7%	11.8%
Poland		0.3%	3.1%	-15.7%
Qatar		0.2%	6.9%	-5.2%
United Arab Emirates		0.2%	6.1%	0.7%
Colombia		0.1%	2.8%	17.3%
Peru		0.1%	1.1%	39.5%
Greece		0.1%	1.0%	-38.3%
Hungary		0.1%	10.8%	38.0%
Egypt		0.0%	21.6%	6.4%
Czech Republic		0.0%	-0.4%	-12.8%
<b>Total Emerging Countries</b>		<b>23.2%</b>	<b>9.0%</b>	<b>16.8%</b>
<b>Total ACWIXUS Countries</b>		<b>100.0%</b>	<b>6.9%</b>	<b>9.3%</b>

Source: MSCI Global Index Monitor (Returns are Net in USD)

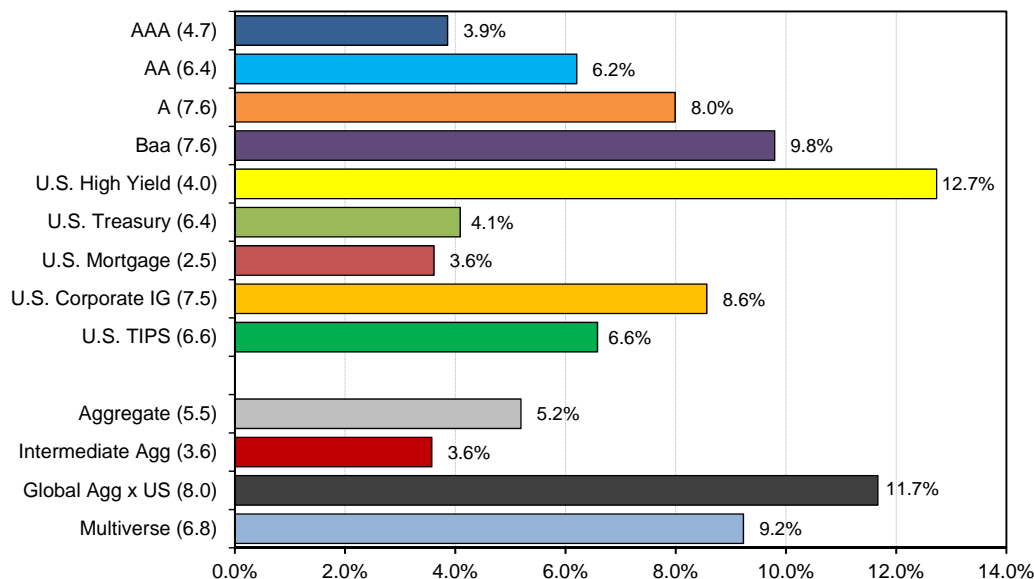


- Despite historically low yields, fixed income indices continued their strong 2016 performance through the 3rd quarter of the year. The initial downward yield shock caused by June's "Brexit" vote wore off quickly and bond market volatility remained relatively low through the remainder of the quarter. Improving economic data in the U.S. led investors to price in greater likelihood of a rate increase at the Fed's September meeting. This expectation caused interest rates to creep up across the yield curve, especially at the short end of the curve. While Fed Chair Janet Yellen relayed a generally positive view of the U.S. economy, the Federal Open Market Committee voted to keep interest rates stable for the time being. However, three of the ten voting committee members were in favor of a rate increase. Although an interest rate hike is not likely until after the November elections, there is certainly a reasonable expectation for a rate hike before year end.
- The yield curve rose over the 3rd quarter with short-term interest rates rising to a greater degree than long-term interest rates. This curve "flattening" represented a headwind to shorter duration market indices. Despite rising interest rates, U.S. investment grade bond indices posted gains for the 3rd quarter. Investment grade corporates benefited from tightening interest rate credit spreads as investors became more comfortable taking on risk for the prospect of greater return. In contrast, the Bloomberg Barclays U.S. Treasury Index finished the quarter in the red due to its relatively high duration and low yield. The broad market Bloomberg Barclays Aggregate Index posted a return between the Treasury and Investment Grade indices with a return of 0.5% for the 3rd quarter. Returns over the 1-year period follow the same general trend as 3rd quarter results with the Bloomberg Barclays U.S. Corporate IG Index returning a strong 8.6% for the period.
- Lower credit quality issues outperformed higher quality securities during the 3rd quarter. Baa rated securities returned 1.9% versus a return of 0.1% for AAA issues due to the compression of interest rate credit spreads throughout the quarter. Spread compression was more prominent, and thus more beneficial, within lower credit qualities. The Bloomberg Barclays U.S. Corporate High Yield Index gained an impressive 5.6% for the quarter and 12.7% for the trailing 1-year period.

### Quarter Performance

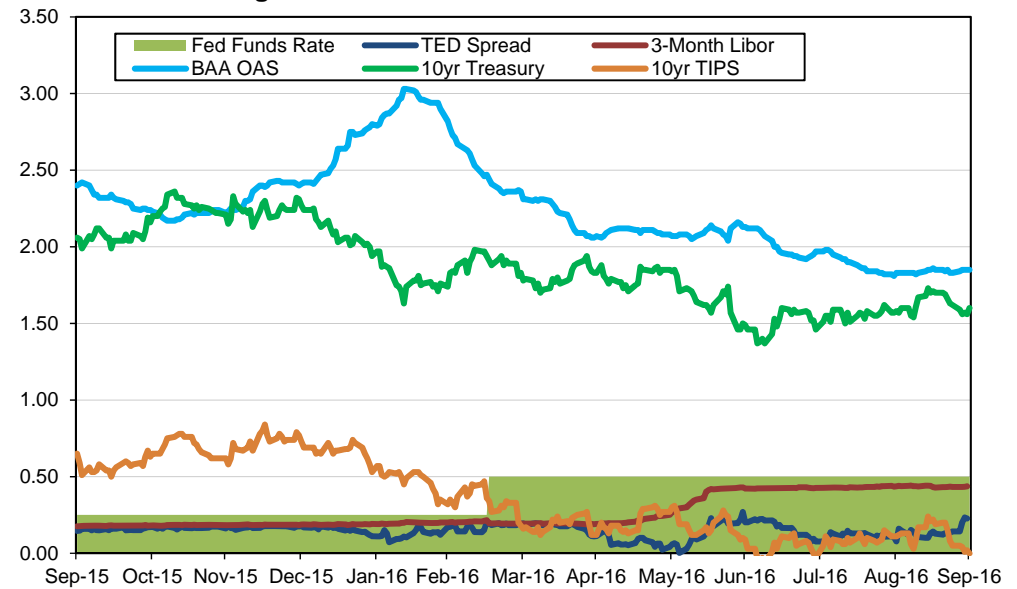


### 1-Year Performance

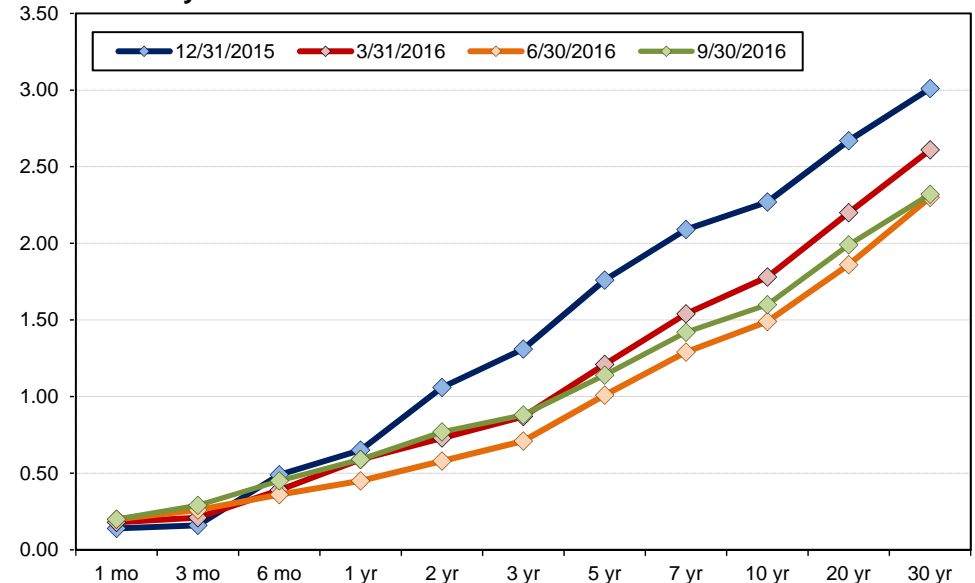


- U.S. TIPS finished the 3rd quarter with a return of 1.0%. The quarter's return can be attributed to a modest decline in yields at the longer end of the TIPS yield curve as well as an increase in the CPI All Urban Index from April to July. The TIPS return for the trailing 1-year period is a solid 6.6%.
- In USD terms, international fixed income indices posted gains for both the 3rd quarter and 1-year period. Despite relatively low interest rates in international markets, with several government issues trading at negative yields, the Bloomberg Barclays Global Aggregate ex U.S. Index returned 1.0% for the quarter and strong 11.7% over the 1-year period. This performance outpaced all domestic indices except the Bloomberg Barclays U.S. Corporate High Yield Index's return of 12.7% over the last twelve months.
- Some of factors supporting the index performance detailed in the bar graphs on the previous page is visible on a time series basis in the line graphs on the right. The '1-Year Trailing Market Rates' chart illustrates that the 10-year Treasury yield (green line), after initially falling on the "Brexit" vote, rose over the remainder of the quarter. The blue line illustrates changes in the BAA OAS (Option Adjusted Spread), which quantifies the additional yield premium that investors require to purchase and hold non-Treasury issues. When credit spreads tighten (widen), i.e., the line is falling, it is equivalent to an interest rate decrease (increase) for corporate bonds, which boosts returns. This spread has consistently fallen since the beginning of 2016 and is now near its lowest point of the calendar year. While there was upside momentum in credit spreads early in 2016, they have narrowed by more than 1% since their high on February 11th. The lower graph provides a snapshot of the U.S. Treasury yield curve at each of the last four calendar quarters. While Treasury issues ended the 3rd quarter slightly higher than the prior quarter, long-term rates remain near their lowest levels in the past twelve months while short-term rates are at the high end of their twelve month range.
- The Fed has stated future rate increases would be implemented at a measured pace and with an ongoing assessment of current economic data. Despite this domestic policy assertion, geopolitical events and non-U.S. stimulus programs are likely to keep demand for U.S. Treasury issues elevated and exert significant downward pressure on how high domestic interest rates will rise in the short-term.

**1-Year Trailing Market Rates**



**Treasury Yield Curve**



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**Total Fund** The VEBA Total Fund had a 3.5% return in the quarter and was just above the median of all Total Plans and above its policy benchmark. The 10.6% performance for the year was near top quartile but below the policy, while the five year 10.8% return was top quartile. Compared to funds with a similar mix, performance was just below average for the quarter, top third for the year and top quartile for five years.

**Total Domestic Equities** The return ranked in the top quartile for the quarter versus Combined Equities. It was slightly below average for the year and three years, but top quartile for four years. The performance in the quarter was above its equity policy index (62% Russell 1000, 38% Russell 2500), but below for the year and three years and above for four years. It was above the Russell 3000 index for the quarter, below for the year and three years, and above for four years.

- **Dodge & Cox Stock Fund** The fund had top decile performance relative to Domestic Large Cap Value funds for the quarter and was well above the Russell 1000 Value index. It was near top quartile for the year but below the index and was top decile and above the index for four years.
- **MFS Domestic Large Cap Growth** The account was funded in late December 2015. It had below average performance for the quarter versus Large Cap Growth funds and was just below the Russell 1000 Growth index. For nine months, it was near median, but below the index.
- **Lord Abbett** Performance in the quarter was bottom quartile versus Smid Cap Value funds, and below the Russell 2500 Value index. It was bottom third and below the index for the year and near top decile and above the index for four years.

**Total Domestic Fixed Income**

- **CS McKee** Bottom third return for the quarter relative to Domestic Core Fixed Income funds and about equal to the Bloomberg Barclay's Aggregate Bond index. For the year results were just below average and above the index, while four years it was below median but above the index.

**Financial Reconciliation**  
**Total Fund**  
**1 Quarter Ending September 30, 2016**

<b>1 Quarter</b>				
	<b>Market Value 07/01/2016</b>	<b>Net Flows</b>	<b>Return On Investment</b>	<b>Market Value 09/30/2016</b>
<b>VEBA Total Fund</b>	<b>43,885,887</b>	<b>26,337</b>	<b>1,553,182</b>	<b>45,465,406</b>
<b>Total Domestic Equity</b>	<b>24,920,658</b>	<b>-</b>	<b>1,460,613</b>	<b>26,381,272</b>
Dodge & Cox Stock Fund (DODGX)	8,141,155	-	715,604	8,856,759
Atalanta Sosnoff	-	-	-	-
MFS Equity Investment	8,225,490	-	368,279	8,593,769
Lord Abbett (LVOVX)	8,554,013	-	376,730	8,930,743
<b>Total Domestic Fixed Income</b>				
CS McKee	18,846,233	-	90,448	18,936,681
<b>Cash W/Income Lending</b>	<b>118,995</b>	<b>26,337</b>	<b>2,120</b>	<b>147,453</b>

Fiscal Year To Date				
	Market Value 01/01/2016	Net Flows	Return On Investment	Market Value 09/30/2016
<b>VEBA Total Fund</b>	<b>42,451,901</b>	<b>122,413</b>	<b>2,891,092</b>	<b>45,465,406</b>
<b>Total Domestic Equity</b>	<b>25,981,690</b>	<b>-1,525,000</b>	<b>1,924,582</b>	<b>26,381,272</b>
Dodge & Cox Stock Fund (DODGX)	9,186,740	-1,100,000	770,019	8,856,759
Atalanta Sosnoff	7,416	-6,838	-578	-
MFS Equity Investment	9,739,019	-1,493,162	347,913	8,593,769
Lord Abbett (LVOVX)	7,048,515	1,075,000	807,229	8,930,743
<b>Total Domestic Fixed Income</b>				
CS McKee	16,277,015	1,700,000	959,667	18,936,681
<b>Cash W/Income Lending</b>	<b>193,196</b>	<b>-52,587</b>	<b>6,844</b>	<b>147,453</b>



**Financial Reconciliation**  
**Total Fund**  
**1 Year Ending September 30, 2016**

<b>1 Year</b>				
	<b>Market Value 10/01/2015</b>	<b>Net Flows</b>	<b>Return On Investment</b>	<b>Market Value 09/30/2016</b>
<b>VEBA Total Fund</b>	<b>40,928,649</b>	<b>195,709</b>	<b>4,341,048</b>	<b>45,465,406</b>
<b>Total Domestic Equity</b>	<b>24,508,327</b>	<b>-1,525,000</b>	<b>3,397,945</b>	<b>26,381,272</b>
Dodge & Cox Stock Fund (DODGX)	8,787,357	-1,100,000	1,169,402	8,856,759
Atalanta Sosnoff	8,793,993	-9,879,432	1,085,439	-
MFS Equity Investment	-	8,379,432	214,337	8,593,769
Lord Abbett (LVOVX)	6,926,976	1,075,000	928,767	8,930,743
<b>Total Domestic Fixed Income</b>				
CS McKee	16,301,323	1,700,000	935,359	18,936,681
<b>Cash W/Income Lending</b>	<b>119,000</b>	<b>20,709</b>	<b>7,744</b>	<b>147,453</b>

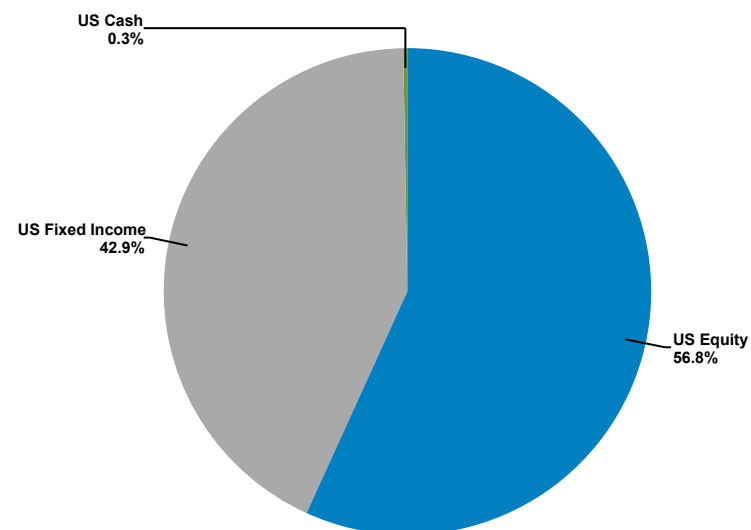
Asset Allocation Attributes								
	Domestic Equity		Domestic Fixed Income		Cash Equivalent		Total Fund	
	(\$)	%	(\$)	%	(\$)	%	(\$)	%
<b>VEBA Total Fund</b>	<b>26,244</b>	<b>57.7</b>	<b>18,653</b>	<b>41.0</b>	<b>568</b>	<b>1.3</b>	<b>45,465</b>	<b>100.0</b>
<b>Total Domestic Equity</b>	<b>26,244</b>	<b>99.5</b>	<b>-</b>	<b>-</b>	<b>137</b>	<b>0.5</b>	<b>26,381</b>	<b>58.0</b>
Dodge & Cox Stock Fund (DODGX)	8,857	100.0	-	-	-	-	8,857	19.5
MFS Equity Investment	8,457	98.4	-	-	137	1.6	8,594	18.9
Lord Abbett (LVOVX)	8,931	100.0	-	-	-	0.0	8,931	19.6
<b>Total Domestic Fixed Income</b>								
CS McKee	-	-	18,653	98.5	284	1.5	18,937	41.7
<b>Cash W/Income Lending</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>100.0</b>	<b>147</b>	<b>0.3</b>

# Asset Allocation By Asset Class

Total Fund

As of September 30, 2016

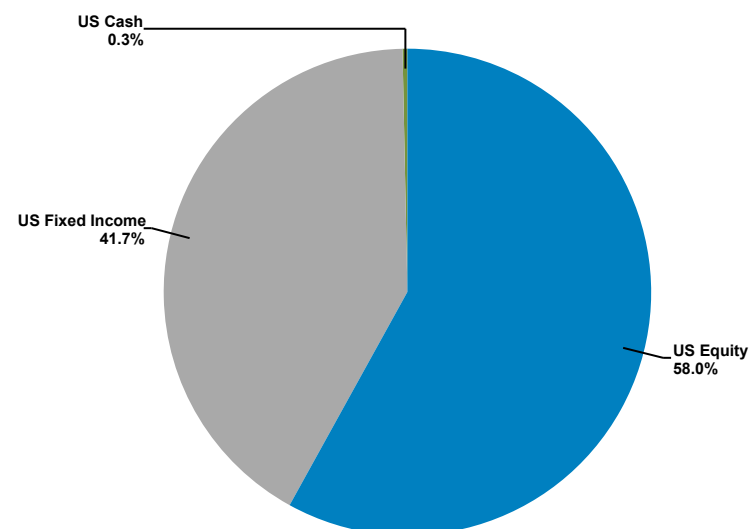
June 30, 2016 : \$43,885,887



## Allocation

	Market Value	Allocation
US Equity	24,920,658	56.8
US Fixed Income	18,846,233	42.9
US Cash	118,995	0.3

September 30, 2016 : \$45,465,406



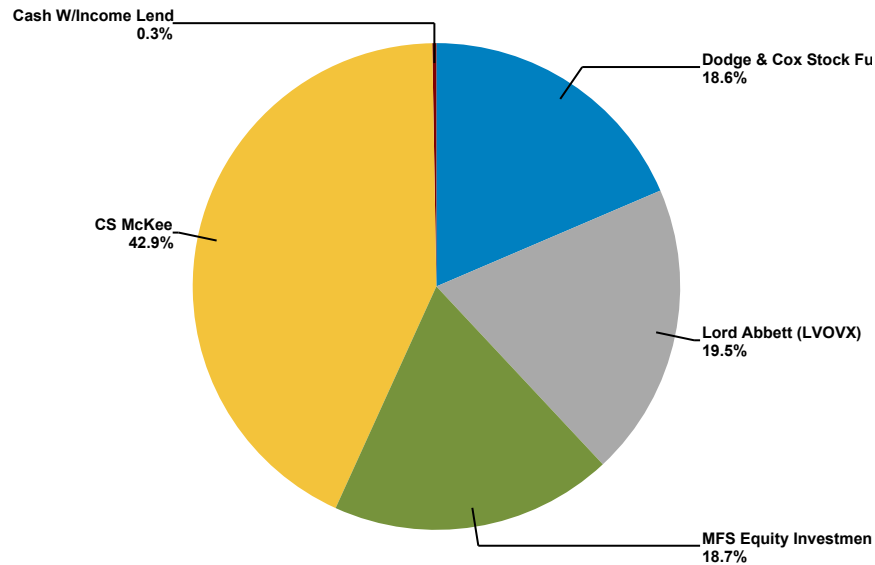
## Allocation

	Market Value	Allocation
US Equity	26,381,272	58.0
US Fixed Income	18,936,681	41.7
US Cash	147,453	0.3

# Asset Allocation By Manager Total Fund

As of September 30, 2016

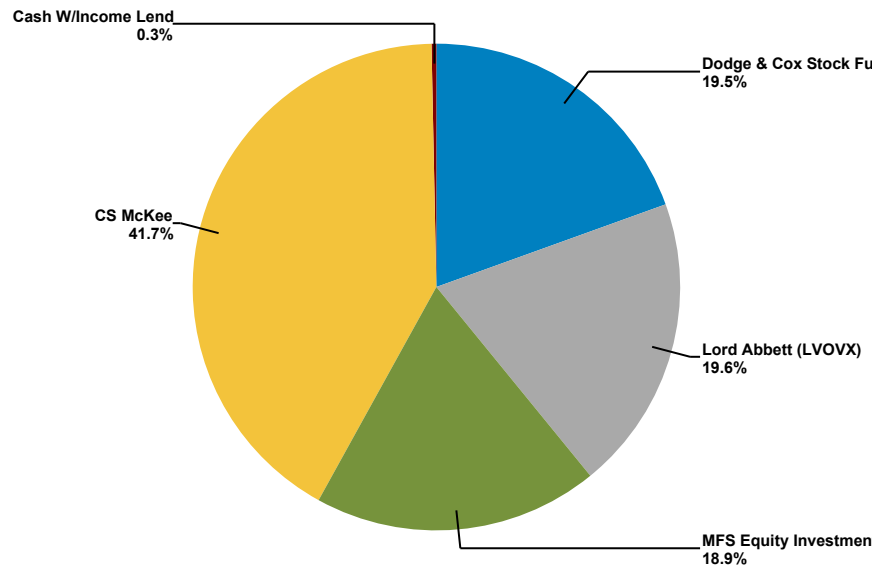
June 30, 2016 : \$43,885,887



## Allocation

	Market Value	Allocation
Dodge & Cox Stock Fund (DODGX)	8,141,155	18.6
Lord Abbett (LVOVX)	8,554,013	19.5
MFS Equity Investment	8,225,490	18.7
CS McKee	18,846,233	42.9
Cash W/Income Lend	118,995	0.3

September 30, 2016 : \$45,465,406



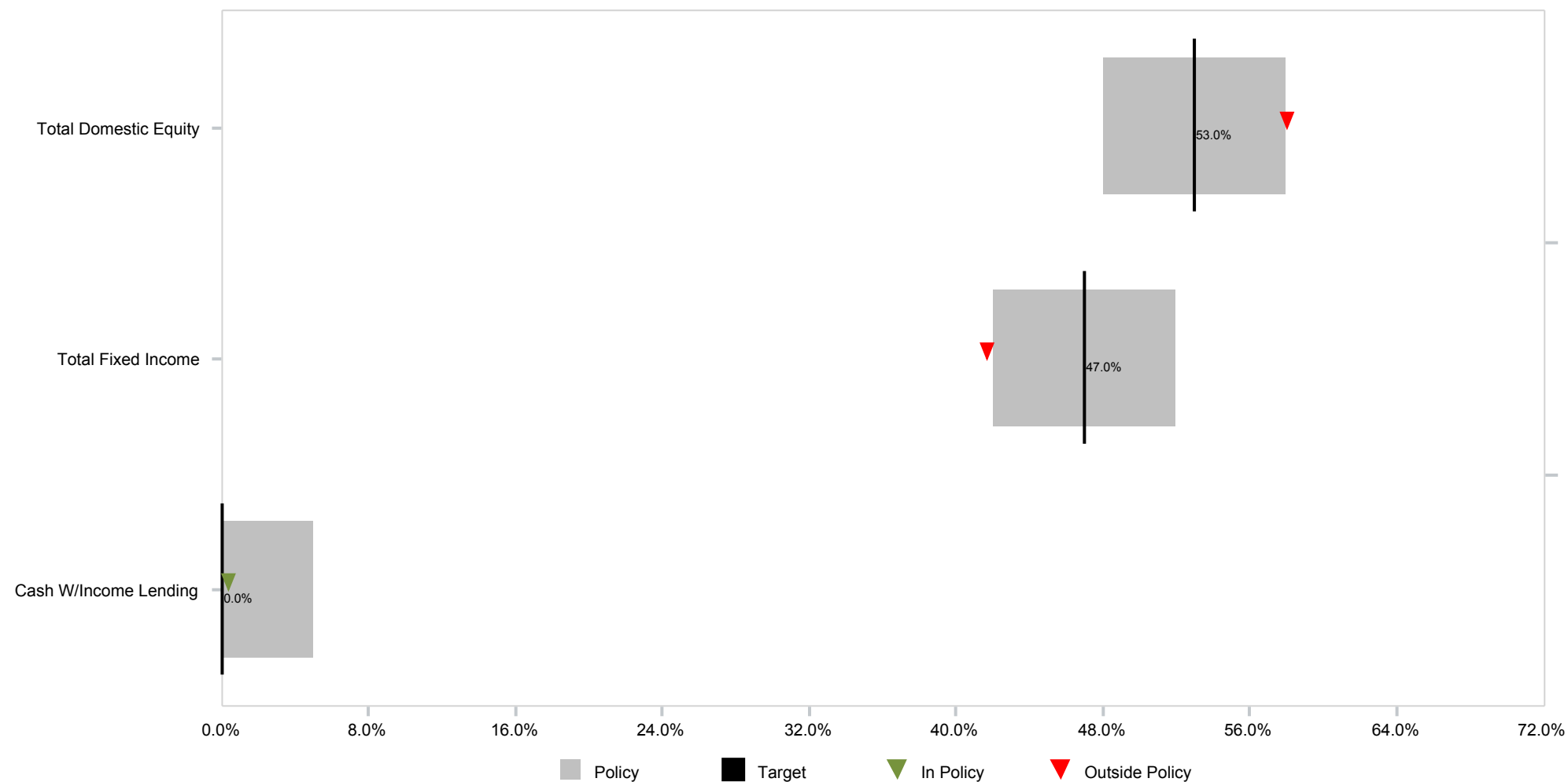
## Allocation

	Market Value	Allocation
Dodge & Cox Stock Fund (DODGX)	8,856,759	19.5
Lord Abbett (LVOVX)	8,930,743	19.6
MFS Equity Investment	8,593,769	18.9
CS McKee	18,936,681	41.7
Cash W/Income Lend	147,453	0.3

Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Target Rebal. (\$)	Differences (%)
VEBA Total Fund	45,465,406	100.0		100.0		-	0.0
Total Domestic Equity	26,381,272	58.0	48.0	53.0	58.0	-2,284,607	5.0
Total Fixed Income	18,936,681	41.7	42.0	47.0	52.0	2,432,059	-5.3
Cash W/Income Lending	147,453	0.3	0.0	0.0	5.0	-147,453	0.3

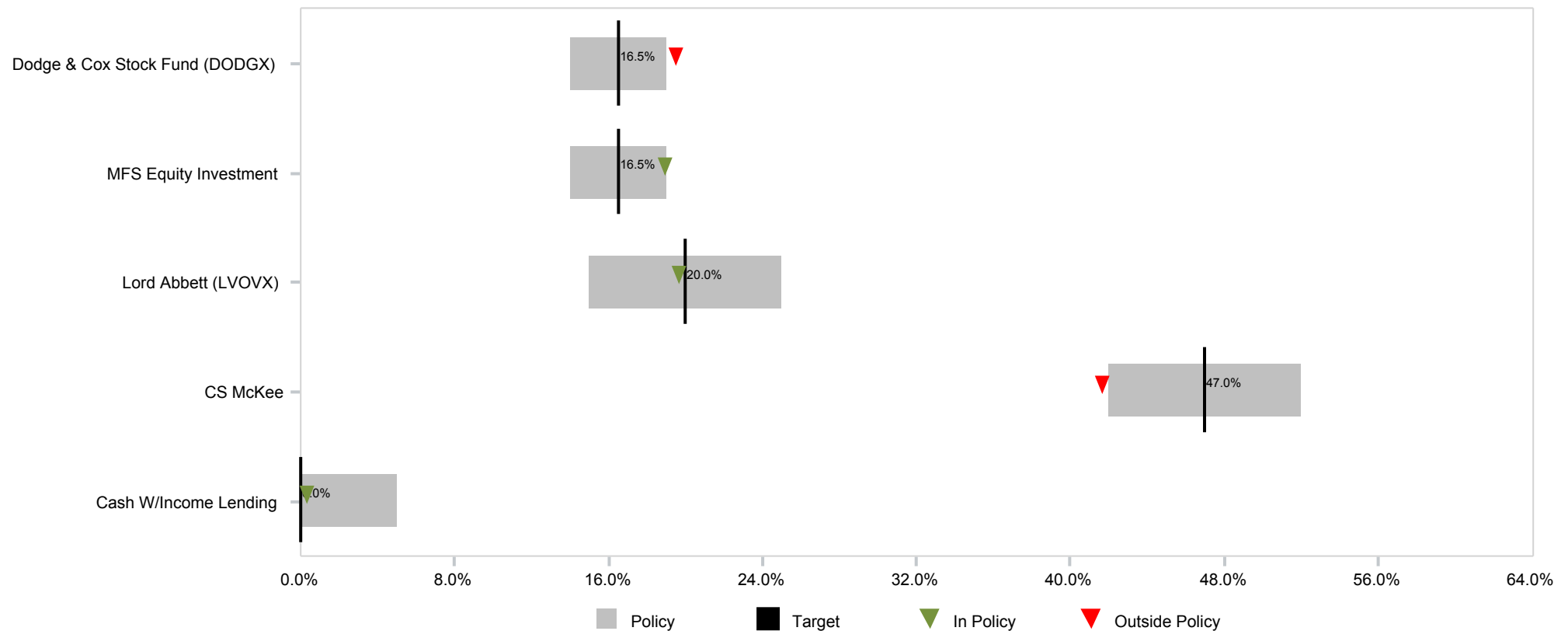
Allocation Summary



Asset Allocation Compliance

	Asset Allocation \$	Current Allocation (%)	Minimum Allocation (%)	Target Allocation (%)	Maximum Allocation (%)	Target Rebal. (\$)	Differences (%)
VEBA Total Fund	45,465,406	100.0		100.0		-	0.0
Total Equity	26,381,272	58.0		53.0		-2,284,607	5.0
Total Domestic Equity	26,381,272	58.0		53.0		-2,284,607	5.0
Dodge & Cox Stock Fund (DODGX)	8,856,759	19.5	14.0	16.5	19.0	-1,354,967	3.0
MFS Equity Investment	8,593,769	18.9	14.0	16.5	19.0	-1,091,977	2.4
Lord Abbett (LVOVX)	8,930,743	19.6	15.0	20.0	25.0	162,338	-0.4
Total Fixed Income	18,936,681	41.7		47.0		2,432,059	-5.3
Total Domestic Fixed Income	18,936,681	41.7		47.0		2,432,059	-5.3
CS McKee	18,936,681	41.7	42.0	47.0	52.0	2,432,059	-5.3
Cash W/Income Lending	147,453	0.3	0.0	0.0	5.0	-147,453	0.3

Allocation Summary





# Comparative Performance

## Total Fund

As of September 30, 2016

Comparative Performance										
	QTR		FYTD		1 YR		3 YR		5 YR	
<b>VEBA Total Fund</b>	<b>3.54</b>	<b>(47)</b>	<b>6.79</b>	<b>(42)</b>	<b>10.55</b>	<b>(27)</b>	<b>7.30</b>	<b>(15)</b>	<b>10.75</b>	<b>(14)</b>
VEBA - Total Fund Policy	2.77	(77)	8.35	(14)	11.02	(20)	7.21	(18)	N/A	
All Master Trust - Total Fund Median	3.47		6.46		9.48		5.93		9.25	
<b>VEBA Total Fund</b>	<b>3.54</b>	<b>(55)</b>	<b>6.79</b>	<b>(46)</b>	<b>10.55</b>	<b>(31)</b>	<b>7.30</b>	<b>(13)</b>	<b>10.75</b>	<b>(21)</b>
VEBA - Total Fund Policy	2.77	(91)	8.35	(9)	11.02	(20)	7.21	(17)	N/A	
Master Trust >=55% and <70% Equity Median	3.61		6.66		9.92		6.23		9.89	
<b>Total Domestic Equity</b>	<b>5.86</b>	<b>(16)</b>	<b>7.72</b>	<b>(65)</b>	<b>14.14</b>	<b>(55)</b>	<b>9.23</b>	<b>(57)</b>	<b>N/A</b>	
VEBA - Total Domestic Equity Policy	4.84	(43)	10.39	(8)	16.00	(14)	9.78	(42)	N/A	
Russell 3000 Index	4.40	(63)	8.18	(50)	14.96	(35)	10.44	(24)	16.36	(32)
All Master Trust-US Equity Segment Median	4.66		8.18		14.37		9.53		15.73	
Dodge & Cox Stock Fund (DODGX)	8.79	(4)	9.54	(19)	14.52	(27)	8.95	(23)	N/A	
Russell 1000 Value Index	3.48	(64)	10.00	(14)	16.19	(15)	9.70	(10)	16.15	(10)
IM U.S. Large Cap Value Equity (MF) Median	3.96		7.02		12.49		7.84		14.50	
MFS Equity Investment	4.48	(64)	4.35	(51)	N/A		N/A		N/A	
Russell 1000 Growth Index	4.58	(61)	6.00	(23)	13.76	(23)	11.83	(34)	16.60	(41)
IM U.S. Large Cap Growth Equity (SA+CF) Median	5.15		4.45		11.69		10.91		16.10	
Lord Abbett (LVOVX)	4.40	(95)	10.50	(72)	12.44	(71)	9.10	(21)	N/A	
Russell 2500 Value Index	6.18	(69)	14.51	(26)	17.68	(26)	8.05	(31)	16.29	(36)
IM U.S. SMID Cap Value Equity (MF) Median	6.99		12.99		15.03		6.48		15.73	
<b>Total Domestic Fixed Income</b>										
CS McKee	0.48	(73)	5.70	(81)	5.54	(59)	4.45	(42)	N/A	
Bloomberg Barclays U.S. Aggregate Index	0.46	(77)	5.80	(72)	5.19	(79)	4.03	(83)	3.08	(91)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	0.68		6.13		5.62		4.31		3.66	
<b>Cash W/Income Lending</b>	<b>1.48</b>		<b>3.72</b>		<b>4.24</b>		<b>1.40</b>		<b>0.84</b>	
90 Day U.S. Treasury Bill	0.07		0.19		0.18		0.09		0.08	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

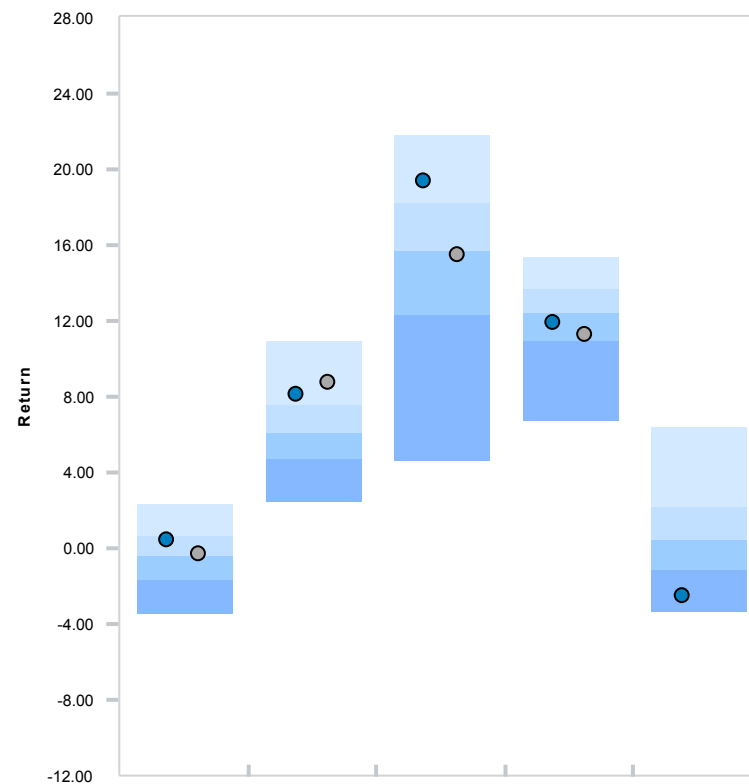
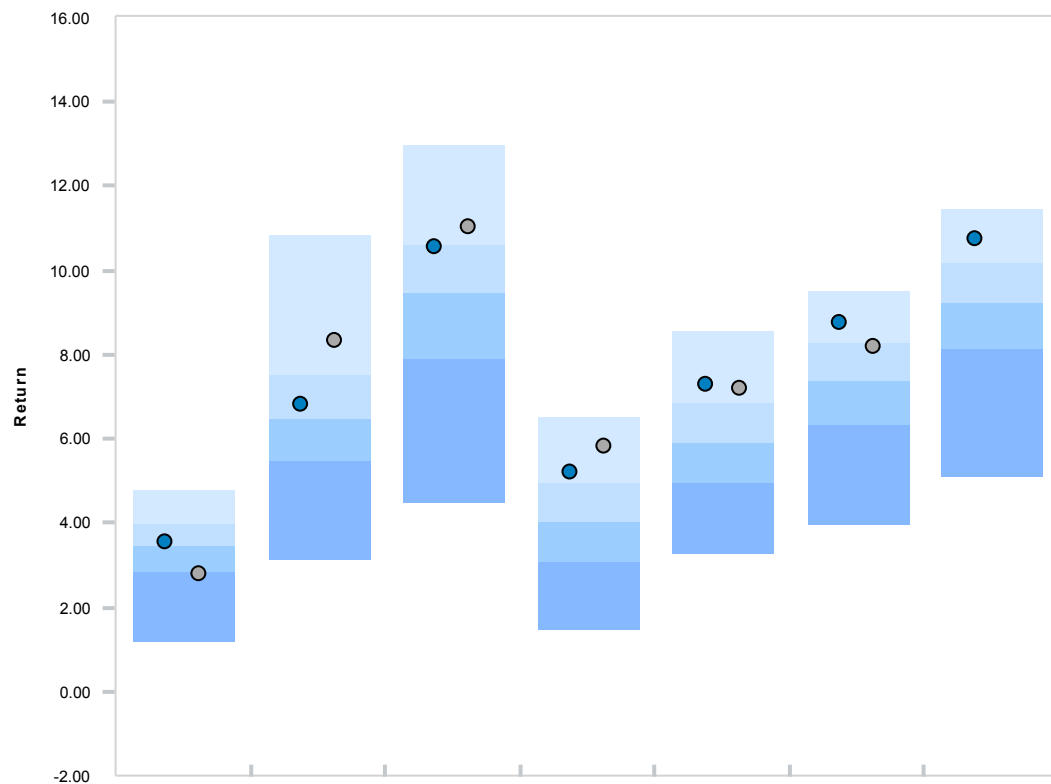
**Comparative Performance**  
**Total Fund**  
**Years Ending**

**Comparative Performance**

	1 Year Ending Sep-2016		1 Year Ending Sep-2015		1 Year Ending Sep-2014		1 Year Ending Sep-2013		1 Year Ending Sep-2012	
<b>VEBA Total Fund</b>	<b>10.55</b>	<b>(27)</b>	<b>0.15</b>	<b>(30)</b>	<b>11.59</b>	<b>(18)</b>	<b>13.23</b>	<b>(31)</b>	<b>19.08</b>	<b>(21)</b>
VEBA - Total Fund Policy	11.02	(20)	0.84	(19)	10.08	(42)	11.08	(61)	N/A	
All Master Trust - Total Fund Median	9.47		-0.91		9.63		11.87		16.93	
<b>VEBA Total Fund</b>	<b>10.55</b>	<b>(31)</b>	<b>0.15</b>	<b>(23)</b>	<b>11.59</b>	<b>(20)</b>	<b>13.23</b>	<b>(43)</b>	<b>19.08</b>	<b>(38)</b>
VEBA - Total Fund Policy	11.02	(20)	0.84	(11)	10.08	(54)	11.08	(83)	N/A	
Master Trust >=55% and <70% Equity Median	9.92		-0.87		10.24		12.97		18.57	
<b>Total Domestic Equity</b>	<b>14.14</b>	<b>(55)</b>	<b>-2.07</b>	<b>(75)</b>	<b>16.58</b>	<b>(38)</b>	<b>27.28</b>	<b>(10)</b>	<b>N/A</b>	
VEBA - Total Domestic Equity Policy	16.00	(14)	-1.27	(65)	15.51	(54)	23.42	(37)	N/A	
Russell 3000 Index	14.96	(35)	-0.49	(48)	17.76	(19)	21.60	(60)	30.20	(28)
All Master Trust-US Equity Segment Median	14.37		-0.53		15.80		22.36		28.71	
Dodge & Cox Stock Fund (DODGX)	14.52	(27)	-6.61	(70)	20.93	(5)	29.96	(4)	N/A	
Russell 1000 Value Index	16.19	(15)	-4.42	(43)	18.89	(17)	22.30	(55)	30.92	(12)
IM U.S. Large Cap Value Equity (MF) Median	12.49		-4.79		17.10		22.57		28.18	
MFS Equity Investment	N/A		N/A		N/A		N/A		N/A	
Russell 1000 Growth Index	13.76	(23)	3.17	(55)	19.15	(40)	19.27	(65)	29.19	(38)
IM U.S. Large Cap Growth Equity (SA+CF) Median	11.69		3.61		18.15		20.29		27.64	
Lord Abbett (LVOVX)	12.44	(71)	3.33	(8)	11.76	(14)	30.19	(41)	N/A	
Russell 2500 Value Index	17.68	(26)	-2.44	(55)	9.88	(32)	27.58	(75)	32.15	(30)
IM U.S. SMID Cap Value Equity (MF) Median	15.03		-1.76		7.60		29.29		29.40	
<b>Total Domestic Fixed Income</b>										
CS McKee	5.54	(59)	3.58	(9)	4.23	(60)	-2.16	(95)	N/A	
Bloomberg Barclays U.S. Aggregate Index	5.19	(79)	2.94	(59)	3.96	(80)	-1.68	(79)	5.16	(91)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	5.62		3.02		4.49		-1.26		6.60	
<b>Cash W/Income Lending</b>	<b>4.24</b>		<b>0.01</b>		<b>0.01</b>		<b>0.00</b>		<b>0.00</b>	
90 Day U.S. Treasury Bill	0.18		0.03		0.04		0.08		0.05	

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

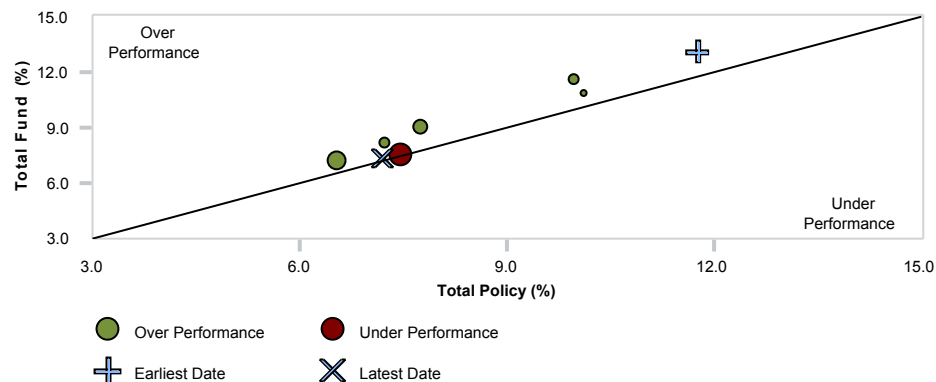
### Peer Group Analysis - All Master Trust - Total Fund



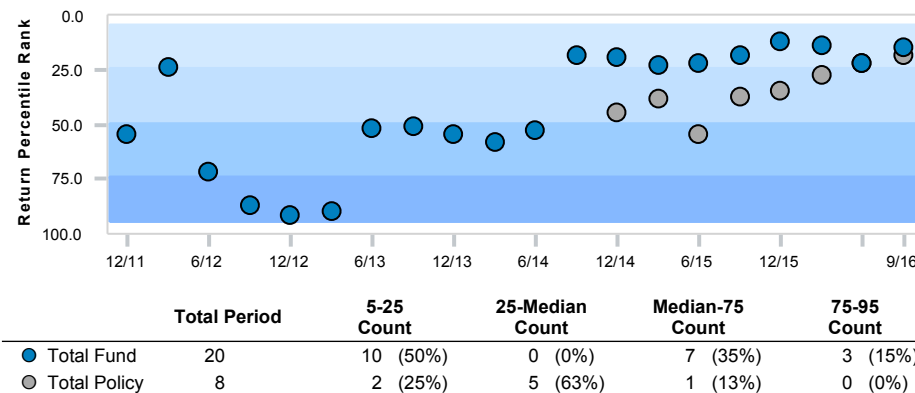
### Comparative Performance

	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015
Total Fund	1.91 (49)	1.20 (43)	3.52 (12)	-4.54 (38)	0.16 (34)	1.42 (88)
Total Policy	2.76 (14)	2.60 (9)	2.47 (53)	-3.64 (23)	-1.00 (88)	1.96 (68)
All Master Trust - Total Fund Median	1.89	1.04	2.53	-4.98	-0.08	2.24

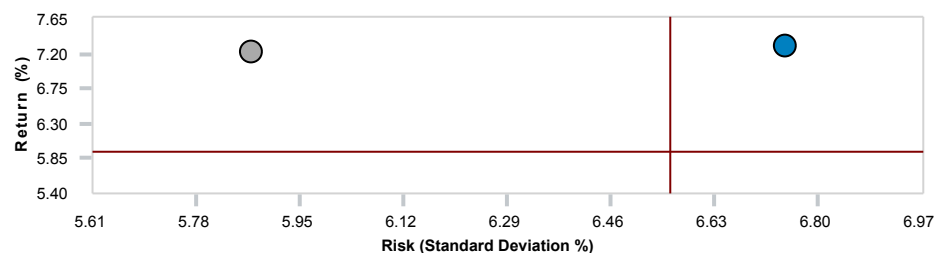
### 3 Yr Rolling Under/Over Performance - 5 Years



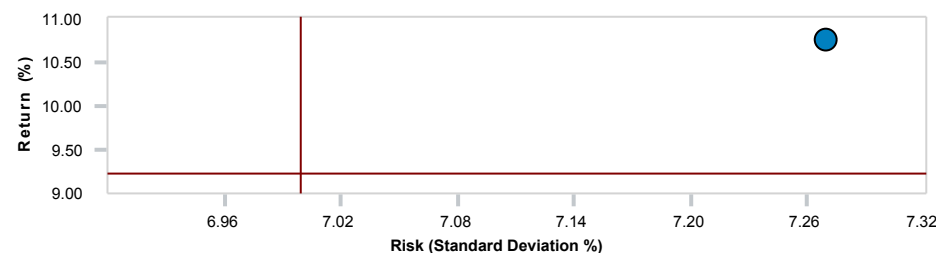
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



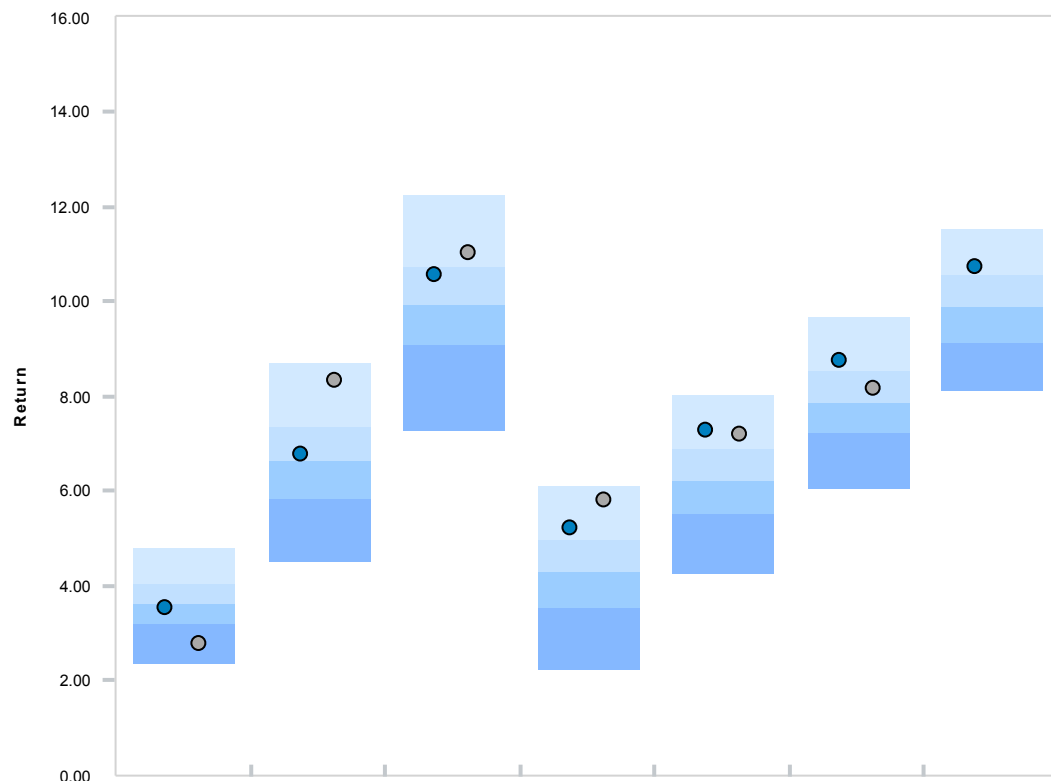
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	2.01	105.39	110.32	-0.59	0.07	1.07	1.10	3.60
Total Policy	0.00	100.00	100.00	0.00	N/A	1.20	1.00	3.10

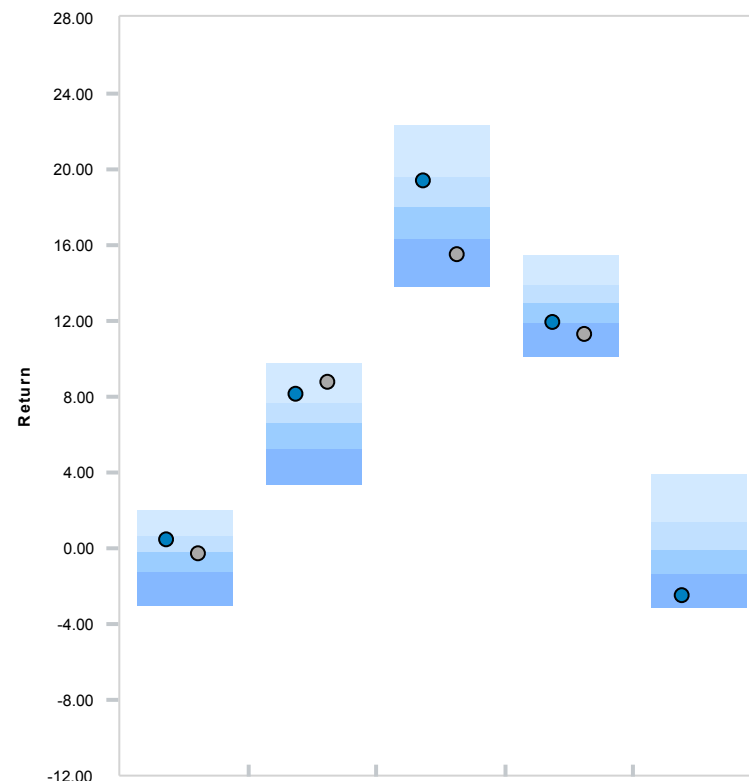
### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	N/A	N/A	N/A	N/A	N/A	1.43	N/A	3.49
Total Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Peer Group Analysis - Master Trust >=55% and <70% Equity



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund	3.54 (55)	6.79 (46)	10.55 (31)	5.22 (21)	7.30 (13)	8.75 (20)	10.75 (20)
● Total Policy	2.77 (91)	8.35 (9)	11.02 (20)	5.80 (8)	7.21 (17)	8.16 (40)	N/A
Median	3.61	6.66	9.92	4.31	6.22	7.86	9.89

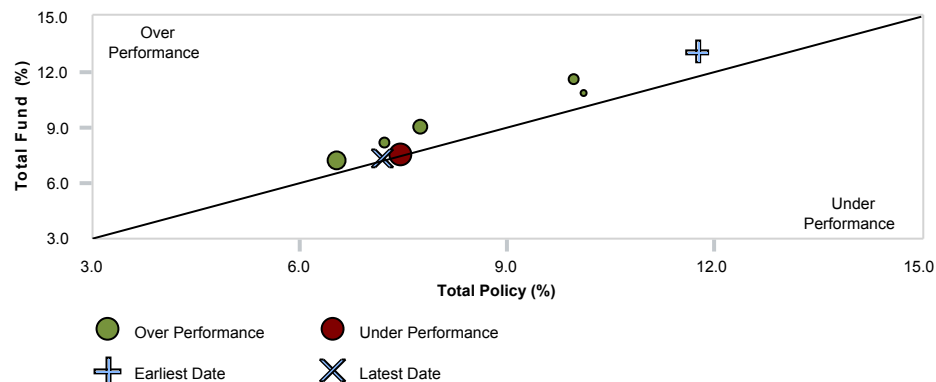


	2015	2014	2013	2012	2011
● Total Fund	0.40 (32)	8.15 (17)	19.39 (28)	11.91 (76)	-2.51 (91)
● Total Policy	-0.34 (55)	8.68 (10)	15.51 (84)	11.24 (85)	N/A
Median	-0.22	6.63	17.97	12.96	-0.10

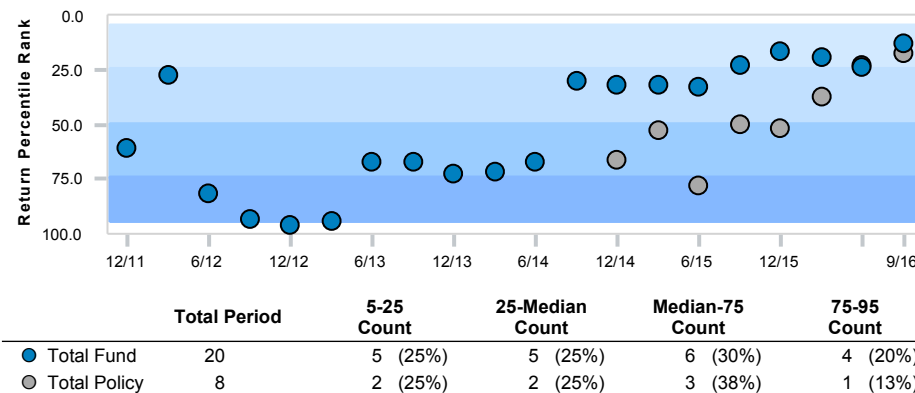
Comparative Performance

	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015
Total Fund	1.91 (48)	1.20 (38)	3.52 (21)	-4.54 (15)	0.16 (33)	1.42 (95)
Total Policy	2.76 (8)	2.60 (4)	2.47 (86)	-3.64 (3)	-1.00 (95)	1.96 (79)
Master Trust >=55% and <70% Equity Median	1.87	0.93	3.13	-5.39	-0.06	2.37

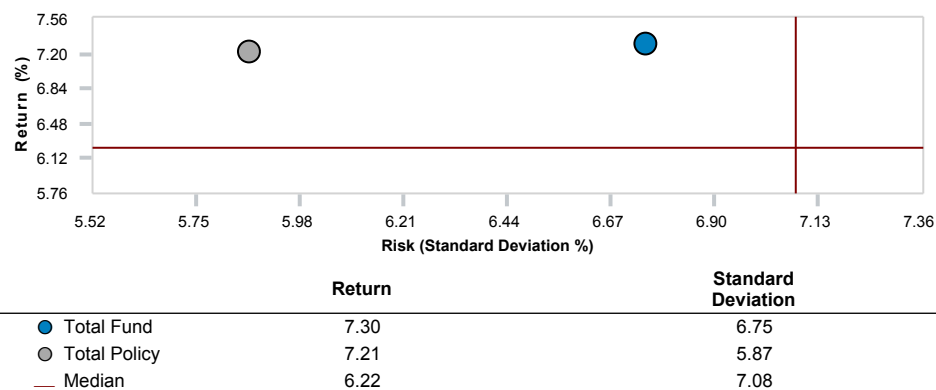
### 3 Yr Rolling Under/Over Performance - 5 Years



### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



### Historical Statistics - 3 Years

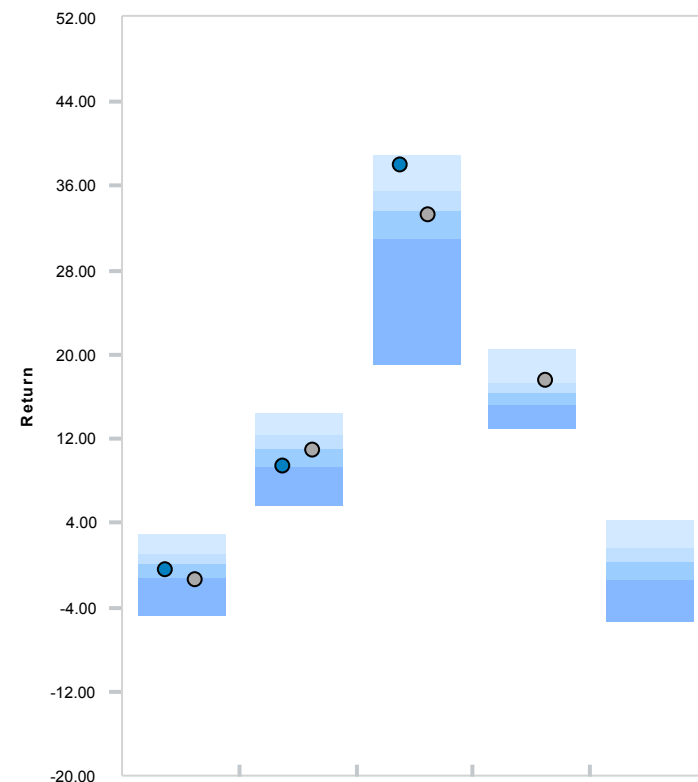
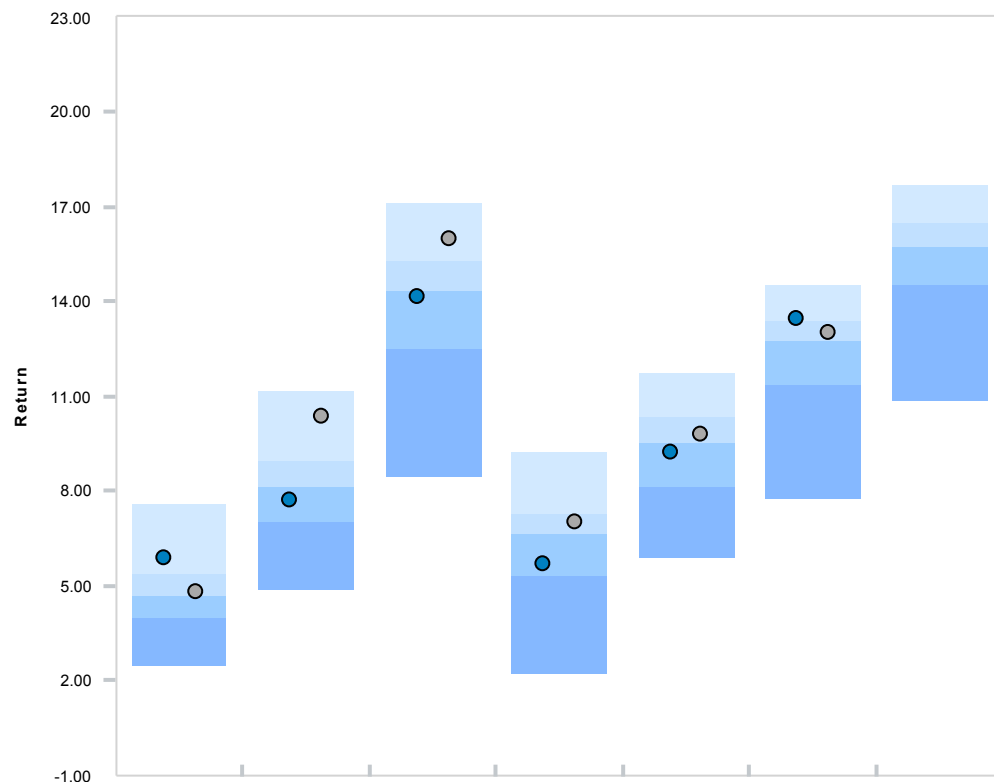
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	2.01	105.39	110.32	-0.59	0.07	1.07	1.10	3.60
Total Policy	0.00	100.00	100.00	0.00	N/A	1.20	1.00	3.10

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	N/A	N/A	N/A	N/A	N/A	1.43	N/A	3.49
Total Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Peer Group Analysis - All Master Trust-US Equity Segment



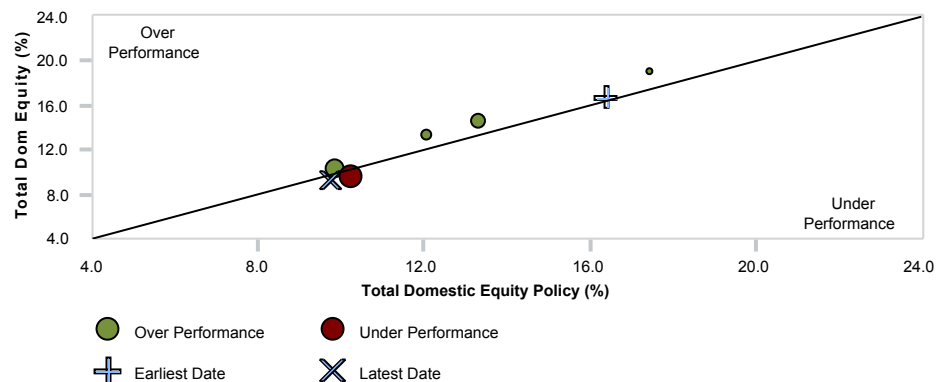
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Dom Equity	5.86 (16)	7.72 (65)	14.14 (55)	5.72 (69)	9.23 (57)	13.49 (21)	N/A
● Total Equity Policy	4.84 (43)	10.39 (8)	16.00 (14)	7.02 (34)	9.78 (42)	13.04 (41)	N/A
Median	4.66	8.18	14.37	6.62	9.53	12.76	15.73

	2015	2014	2013	2012	2011
● Total Dom Equity	-0.41 (64)	9.43 (74)	37.95 (9)	N/A	N/A
● Total Equity Policy	-1.52 (78)	10.93 (52)	33.21 (57)	17.49 (25)	N/A
Median	0.17	11.08	33.66	16.45	0.20

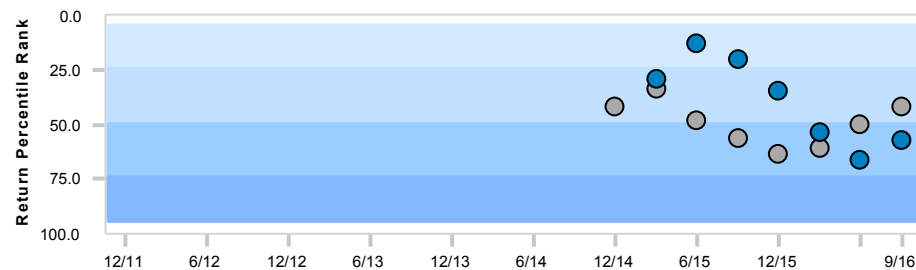
Comparative Performance

	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015
Total Dom Equity	1.86 (76)	-0.10 (75)	5.96 (39)	-8.06 (70)	1.04 (9)	1.18 (81)
Total Domestic Equity Policy	3.23 (18)	2.00 (16)	5.08 (69)	-7.87 (64)	-0.41 (84)	2.14 (44)
All Master Trust-US Equity Segment Median	2.52	0.84	5.69	-7.49	0.22	1.92

### 3 Yr Rolling Under/Over Performance - 5 Years

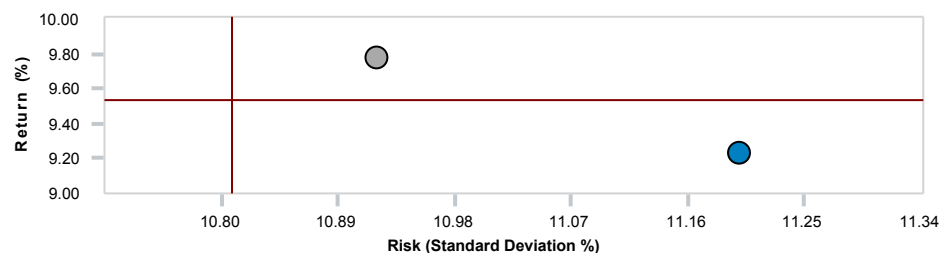


### 3 Yr Rolling Percentile Ranking - 5 Years



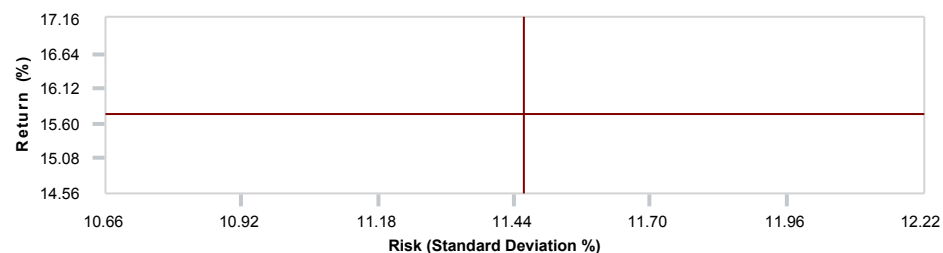
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Total Dom Equity	7	2 (29%)	2 (29%)	3 (43%)	0 (0%)
Total Equity Policy	8	0 (0%)	5 (63%)	3 (38%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Total Dom Equity	9.23	11.20
Total Equity Policy	9.78	10.92
Median	9.53	10.81

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Total Dom Equity	N/A	N/A
Total Equity Policy	N/A	N/A
Median	15.73	11.46

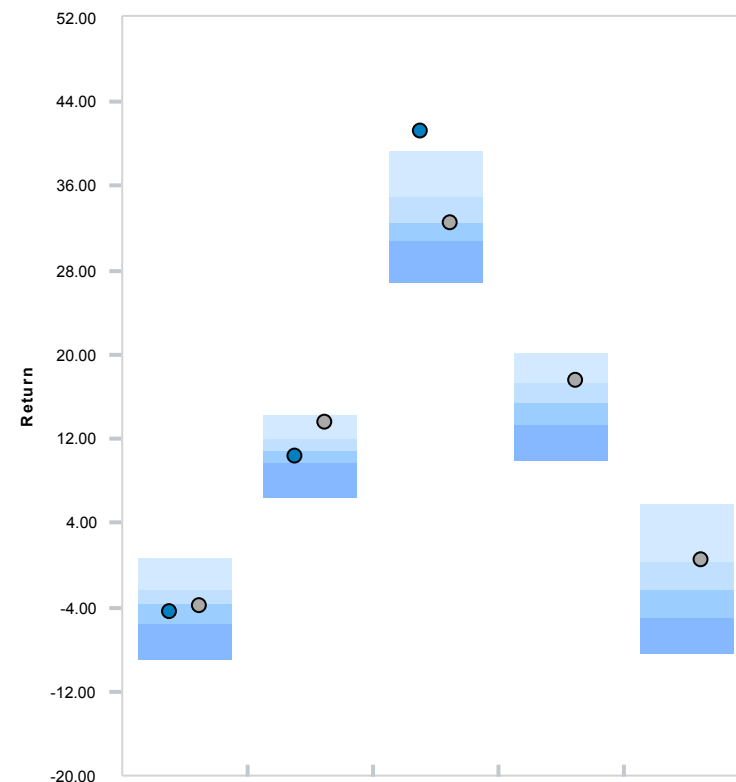
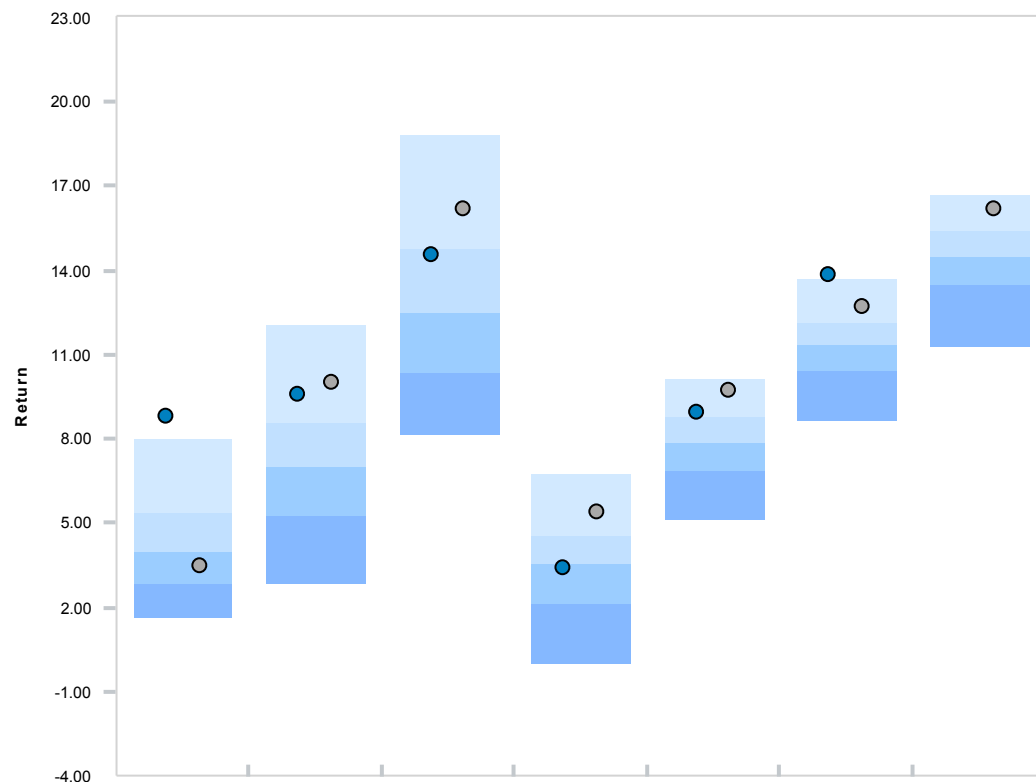
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Dom Equity	2.69	95.89	96.53	-0.43	-0.18	0.84	1.00	6.43
Total Domestic Equity Policy	0.00	100.00	100.00	0.00	N/A	0.90	1.00	6.28

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Dom Equity	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Domestic Equity Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Peer Group Analysis - IM U.S. Large Cap Value Equity (MF)



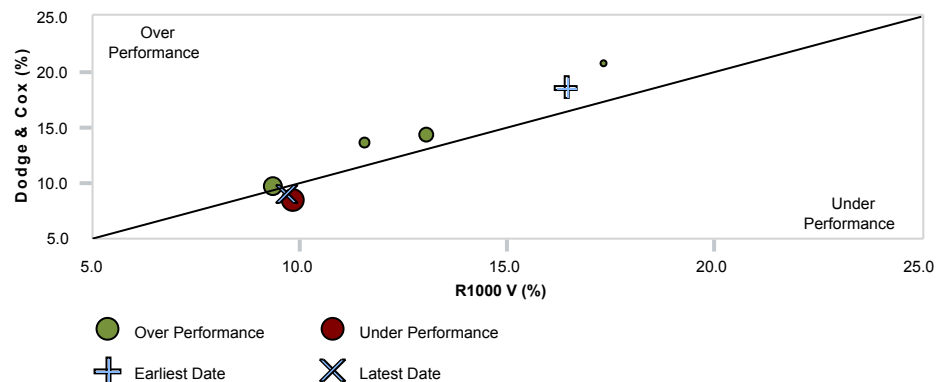
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Dodge & Cox	8.79 (4)	9.54 (19)	14.52 (27)	3.42 (54)	8.95 (23)	13.86 (4)	N/A
● R1000 V	3.48 (64)	10.00 (14)	16.19 (15)	5.38 (17)	9.70 (10)	12.73 (15)	16.15 (10)
Median	3.96	7.02	12.49	3.53	7.84	11.34	14.50

	2015	2014	2013	2012	2011
● Dodge & Cox	-4.48 (63)	10.40 (64)	41.28 (1)	N/A	N/A
● R1000 V	-3.83 (53)	13.45 (8)	32.53 (50)	17.51 (24)	0.39 (25)
Median	-3.70	10.89	32.51	15.42	-2.39

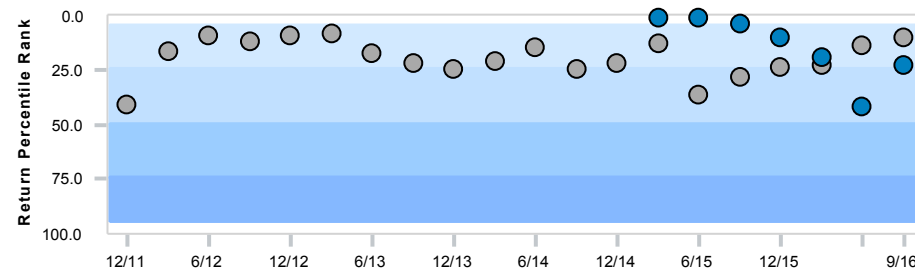
Comparative Performance

	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015
Dodge & Cox	1.70 (70)	-0.99 (77)	4.55 (73)	-9.84 (73)	2.56 (2)	-1.19 (89)
R1000 V	4.58 (10)	1.64 (20)	5.64 (27)	-8.40 (45)	0.11 (65)	-0.72 (74)
IM U.S. Large Cap Value Equity (MF) Median	2.62	0.00	5.19	-8.80	0.46	-0.26

### 3 Yr Rolling Under/Over Performance - 5 Years

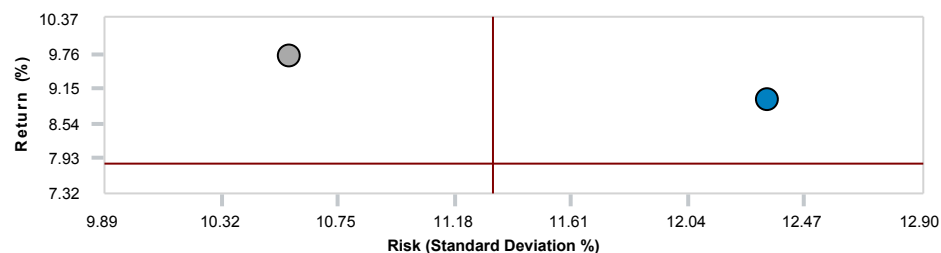


### 3 Yr Rolling Percentile Ranking - 5 Years



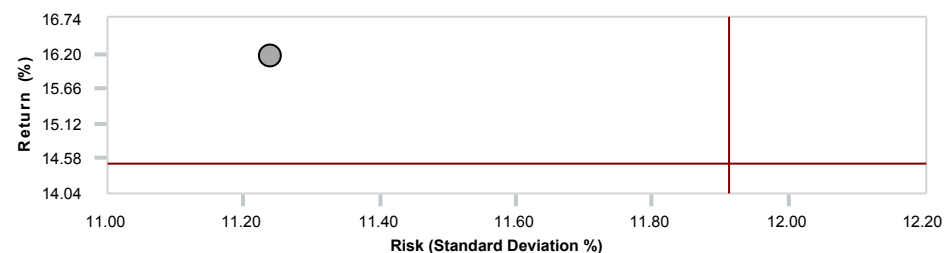
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
Dodge & Cox	7	6 (86%)	1 (14%)	0 (0%)	0 (0%)
R1000 V	20	17 (85%)	3 (15%)	0 (0%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
Dodge & Cox	8.95	12.33
R1000 V	9.70	10.58
Median	7.84	11.32

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
Dodge & Cox	N/A	N/A
R1000 V	16.15	11.24
Median	14.50	11.91

### Historical Statistics - 3 Years

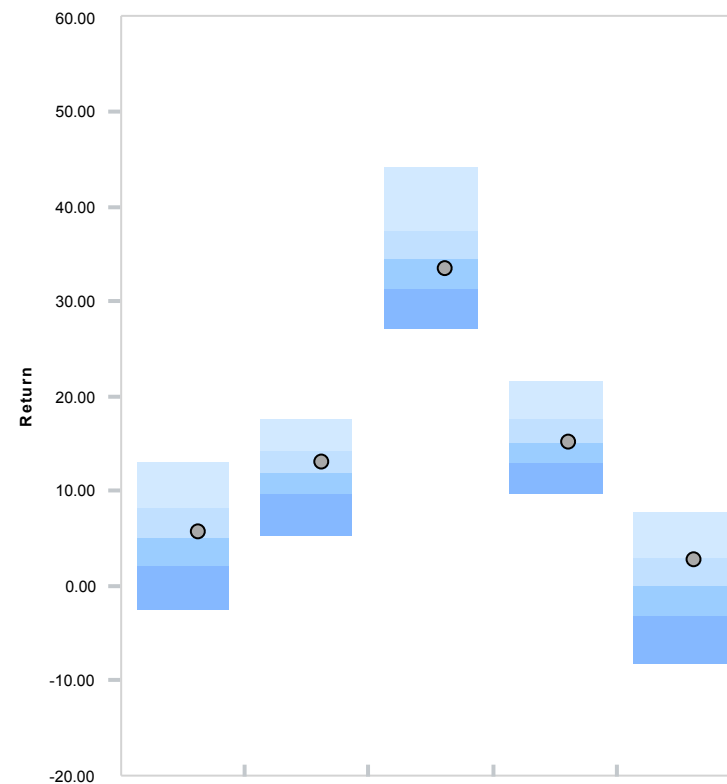
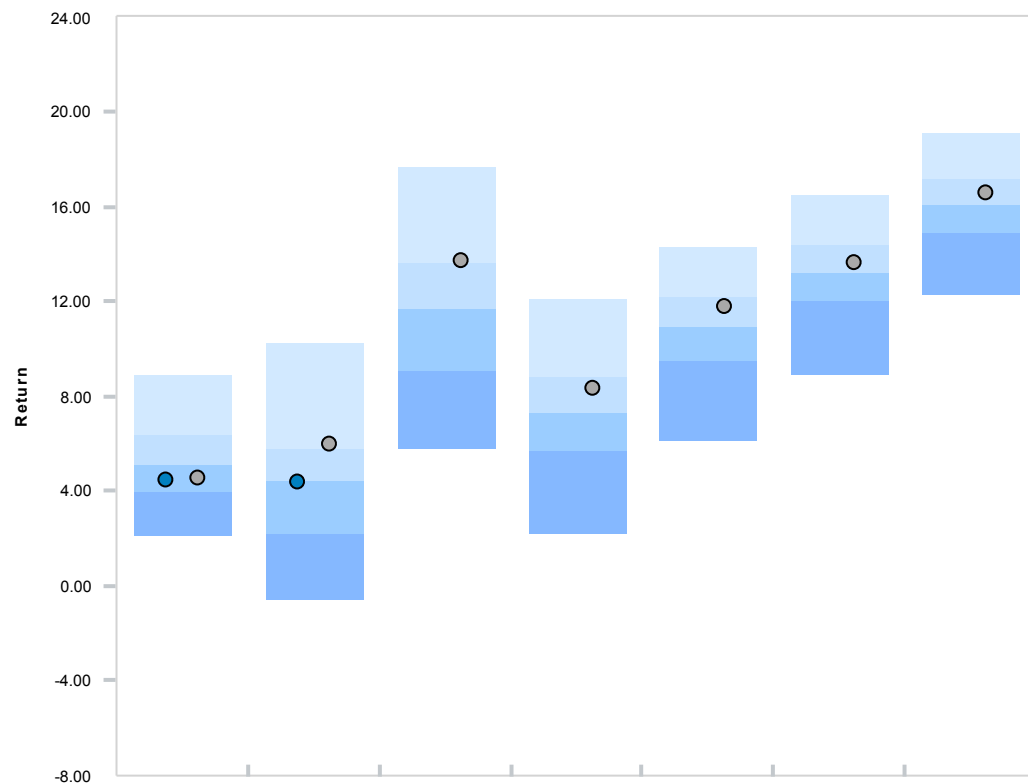
	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Dodge & Cox	4.16	102.37	109.32	-1.49	-0.12	0.75	1.10	7.65
R1000 V	0.00	100.00	100.00	0.00	N/A	0.92	1.00	6.26

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Dodge & Cox	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
R1000 V	0.00	100.00	100.00	0.00	N/A	1.39	1.00	5.81

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Peer Group Analysis - IM U.S. Large Cap Growth Equity (SA+CF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● MFS Equity	4.48 (64)	4.35 (51)	N/A	N/A	N/A	N/A	N/A
● R1000G Index	4.58 (61)	6.00 (23)	13.76 (23)	8.34 (34)	11.83 (34)	13.64 (42)	16.60 (41)
Median	5.15	4.45	11.69	7.36	10.91	13.20	16.10

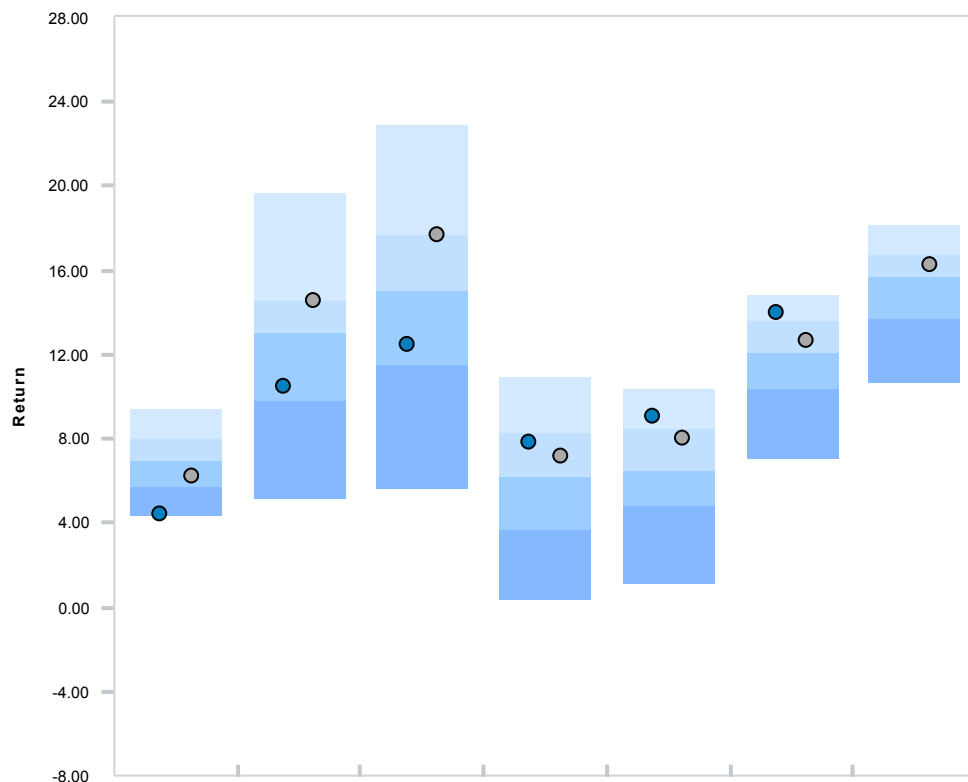
	2015	2014	2013	2012	2011
● MFS Equity	N/A	N/A	N/A	N/A	N/A
● R1000G Index	5.67 (46)	13.05 (39)	33.48 (60)	15.26 (50)	2.64 (27)
Median	5.09	12.00	34.56	15.19	0.07

Comparative Performance

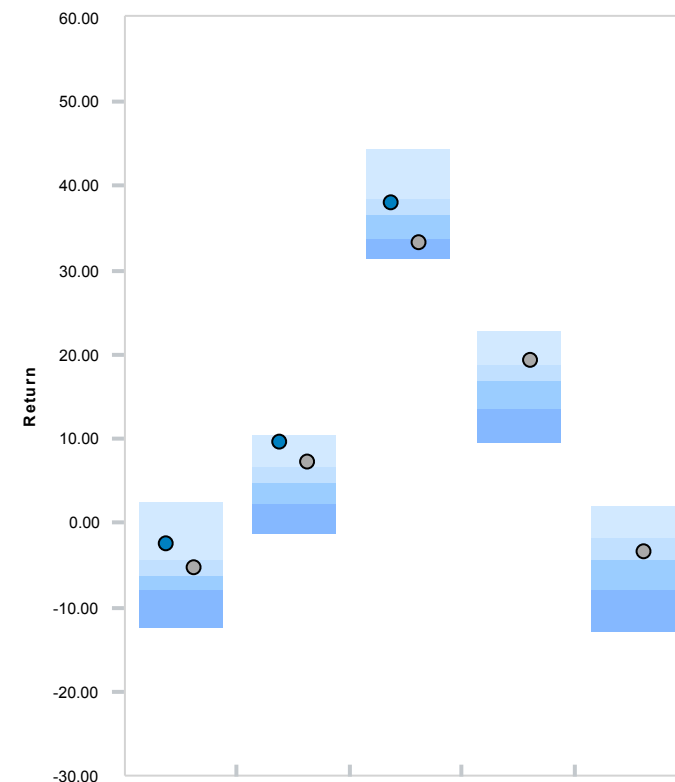
	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015
MFS Equity	1.49 (30)	-1.59 (51)	N/A	N/A	N/A	N/A
Russell 1000 Growth Index	0.61 (51)	0.74 (21)	7.32 (46)	-5.29 (34)	0.12 (67)	3.84 (52)
IM U.S. Large Cap Growth Equity (SA+CF) Median	0.62	-1.58	7.05	-5.95	0.61	3.92



Peer Group Analysis - IM U.S. SMID Cap Value Equity (MF)



	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Lord Abbett (LVOVX)	4.40 (95)	10.50 (72)	12.44 (71)	7.79 (32)	9.10 (21)	14.03 (12)	N/A
● R2500 Value	6.18 (69)	14.51 (26)	17.68 (26)	7.15 (39)	8.05 (31)	12.63 (41)	16.29 (36)
Median	6.99	12.99	15.03	6.19	6.48	12.08	15.73

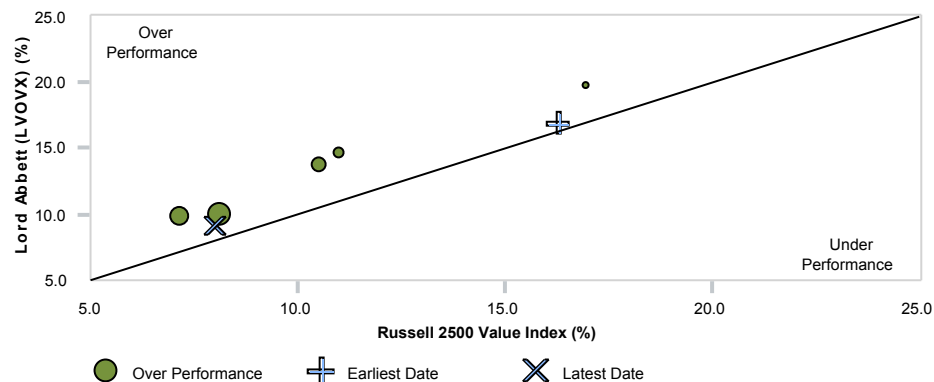


	2015	2014	2013	2012	2011
● Lord Abbett (LVOVX)	-2.53 (12)	9.45 (9)	37.87 (35)	N/A	N/A
● R2500 Value	-5.49 (38)	7.11 (22)	33.32 (79)	19.21 (18)	-3.36 (35)
Median	-6.33	4.77	36.57	16.93	-4.50

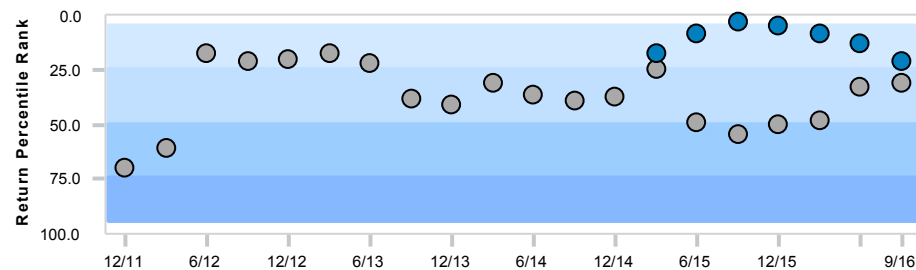
Comparative Performance

	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015
Lord Abbett (LVOVX)	2.63 (48)	3.12 (49)	1.75 (62)	-7.92 (19)	-0.14 (40)	4.18 (9)
Russell 2500 Value Index	4.37 (16)	3.33 (47)	2.78 (23)	-9.58 (52)	-1.27 (68)	3.02 (46)
IM U.S. SMID Cap Value Equity (MF) Median	2.31	3.08	2.18	-9.53	-0.58	2.81

### 3 Yr Rolling Under/Over Performance - 5 Years

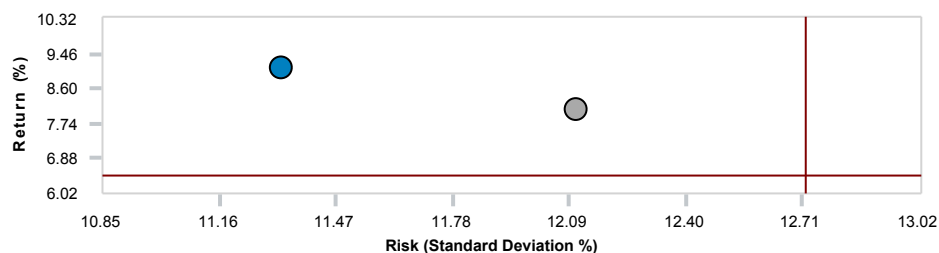


### 3 Yr Rolling Percentile Ranking - 5 Years



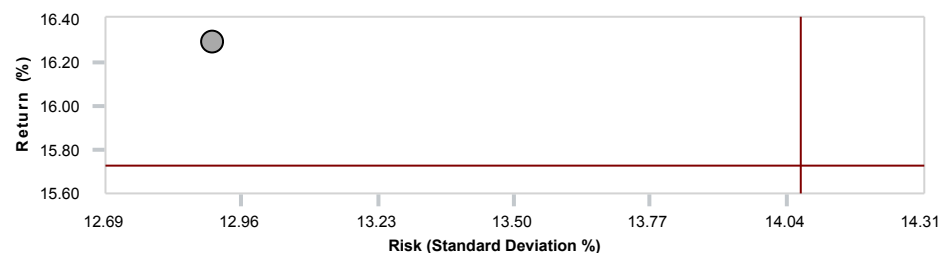
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
● Lord Abbett (LVOVX)	7	7 (100%)	0 (0%)	0 (0%)	0 (0%)
● R2500 Value	20	6 (30%)	11 (55%)	3 (15%)	0 (0%)

### Peer Group Scattergram - 3 Years



	Return	Standard Deviation
● Lord Abbett (LVOVX)	9.10	11.33
● R2500 Value	8.05	12.11
— Median	6.48	12.72

### Peer Group Scattergram - 5 Years



	Return	Standard Deviation
● Lord Abbett (LVOVX)	N/A	N/A
● R2500 Value	16.29	12.90
— Median	15.73	14.07

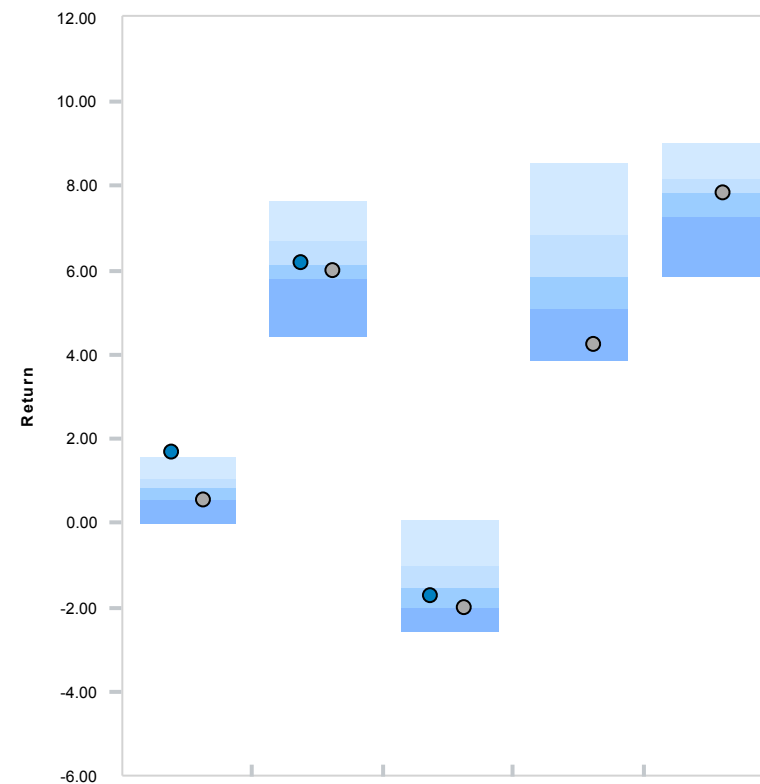
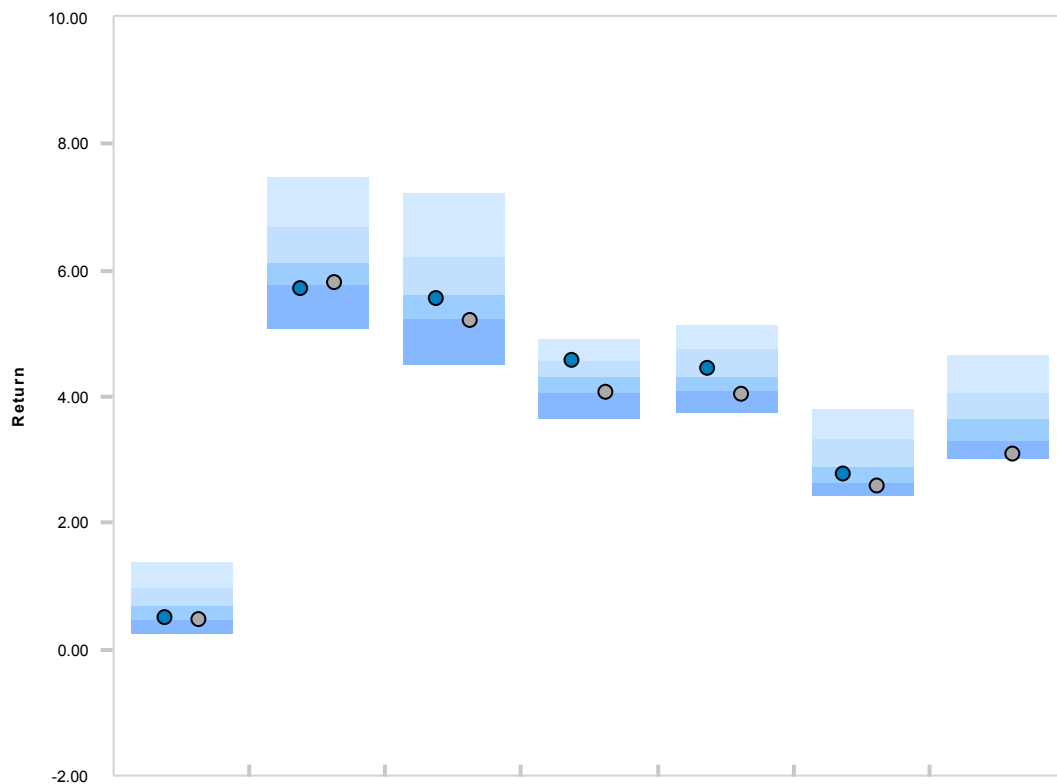
### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Lord Abbett (LVOVX)	3.48	92.71	81.53	1.77	0.25	0.82	0.90	6.54
Russell 2500 Value Index	0.00	100.00	100.00	0.00	N/A	0.69	1.00	7.57

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Lord Abbett (LVOVX)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Russell 2500 Value Index	0.00	100.00	100.00	0.00	N/A	1.23	1.00	6.78

Peer Group Analysis - IM U.S. Broad Market Core Fixed Income (SA+CF)



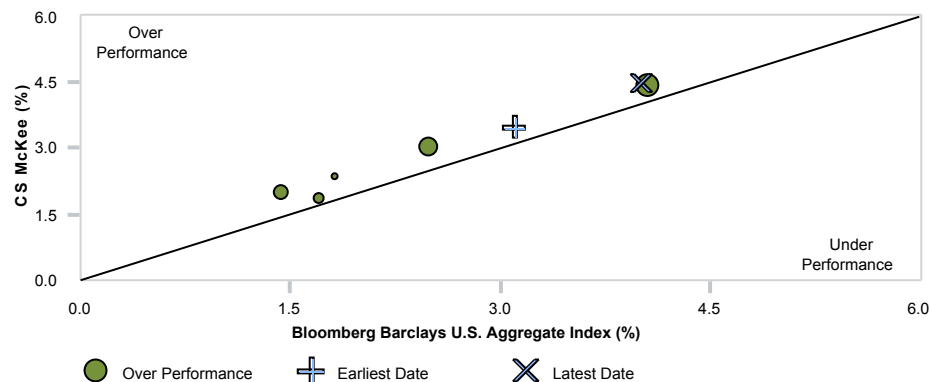
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● CS McKee	0.48 (73)	5.70 (81)	5.54 (59)	4.56 (26)	4.45 (42)	2.76 (67)	N/A
● BB Agg	0.46 (77)	5.80 (72)	5.19 (79)	4.06 (76)	4.03 (83)	2.57 (83)	3.08 (91)
Median	0.68	6.13	5.62	4.31	4.31	2.90	3.66

	2015	2014	2013	2012	2011
● CS McKee	1.67 (3)	6.15 (50)	-1.75 (63)	N/A	N/A
● BB Agg	0.55 (74)	5.97 (66)	-2.02 (74)	4.21 (90)	7.84 (50)
Median	0.81	6.14	-1.56	5.84	7.83

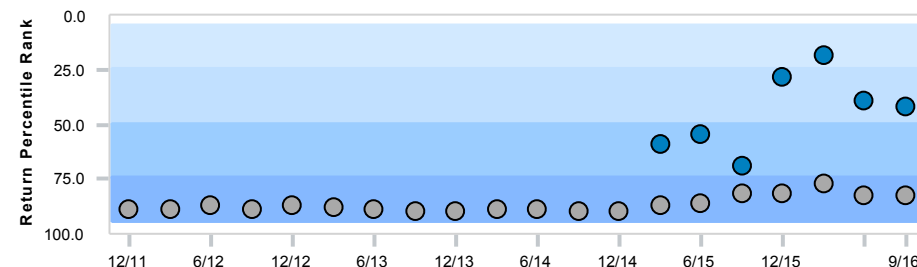
Comparative Performance

	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015
CS McKee	1.82 (98)	3.31 (11)	-0.15 (9)	1.26 (35)	-1.24 (14)	1.82 (31)
Bloomberg Barclays U.S. Aggregate Index	2.21 (69)	3.03 (50)	-0.57 (72)	1.23 (40)	-1.68 (72)	1.61 (75)
IM U.S. Broad Market Core Fixed Income (SA+CF) Median	2.33	3.03	-0.45	1.13	-1.60	1.74

## 3 Yr Rolling Under/Over Performance - 5 Years

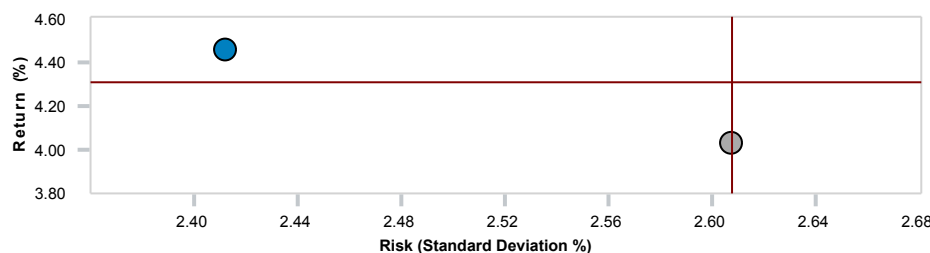


## 3 Yr Rolling Percentile Ranking - 5 Years



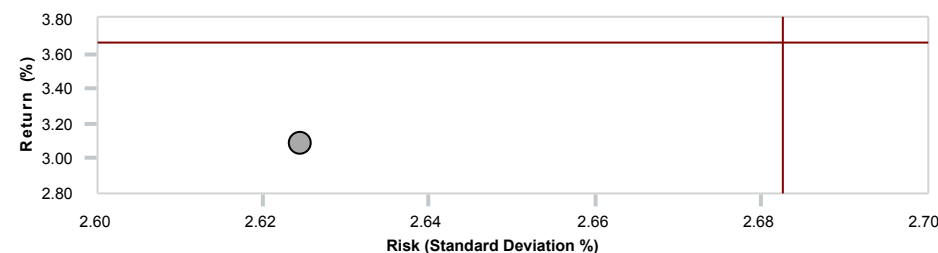
	Total Period	5-25 Count	25-Median Count	Median-75 Count	75-95 Count
CS McKee	7	1 (14%)	3 (43%)	3 (43%)	0 (0%)
BB Agg	20	0 (0%)	0 (0%)	0 (0%)	20 (100%)

## Peer Group Scattergram - 3 Years



	Return	Standard Deviation
CS McKee	4.45	2.41
BB Agg	4.03	2.61
Median	4.31	2.61

## Peer Group Scattergram - 5 Years



	Return	Standard Deviation
CS McKee	N/A	N/A
BB Agg	3.08	2.62
Median	3.66	2.68

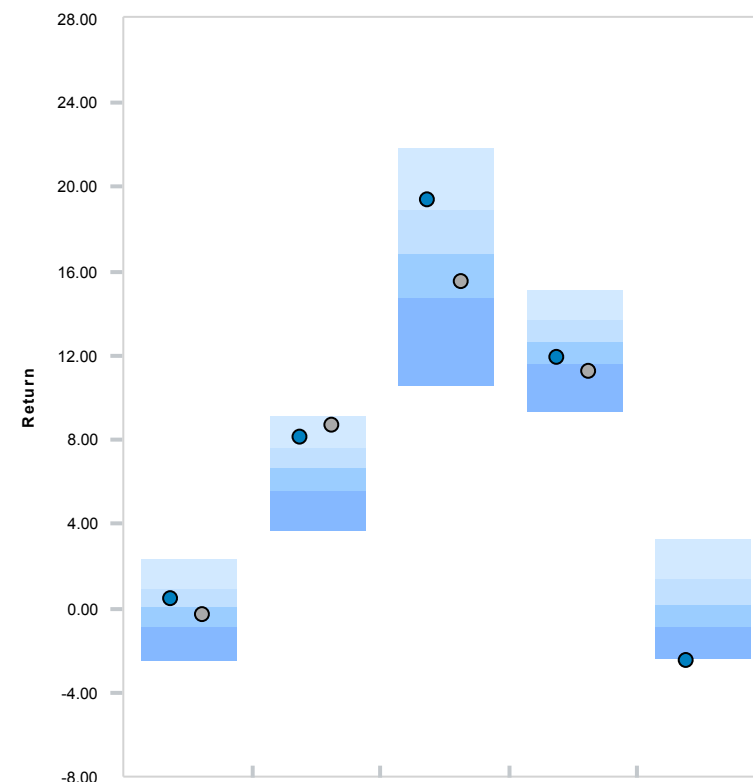
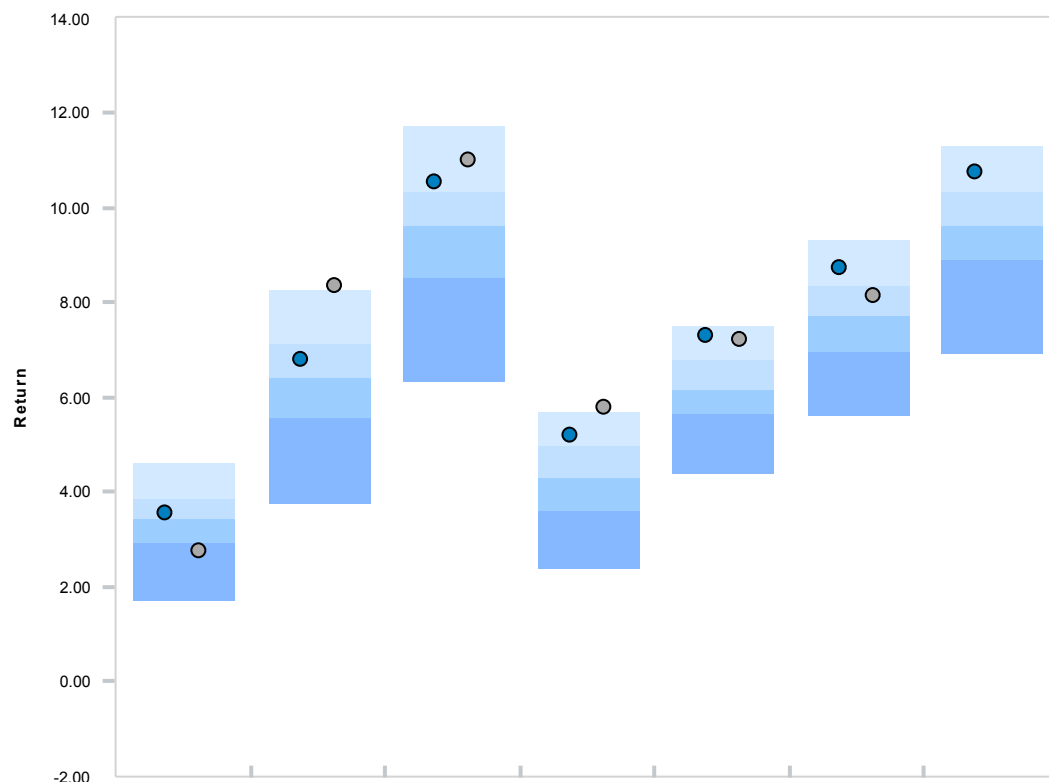
## Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
CS McKee	0.49	98.74	74.34	0.81	0.82	1.83	0.90	0.89
Bloomberg Barclays U.S. Aggregate Index	0.00	100.00	100.00	0.00	N/A	1.52	1.00	1.08

## Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
CS McKee	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bloomberg Barclays U.S. Aggregate Index	0.00	100.00	100.00	0.00	N/A	1.14	1.00	1.42

### Peer Group Analysis - All Public Plans-Total Fund



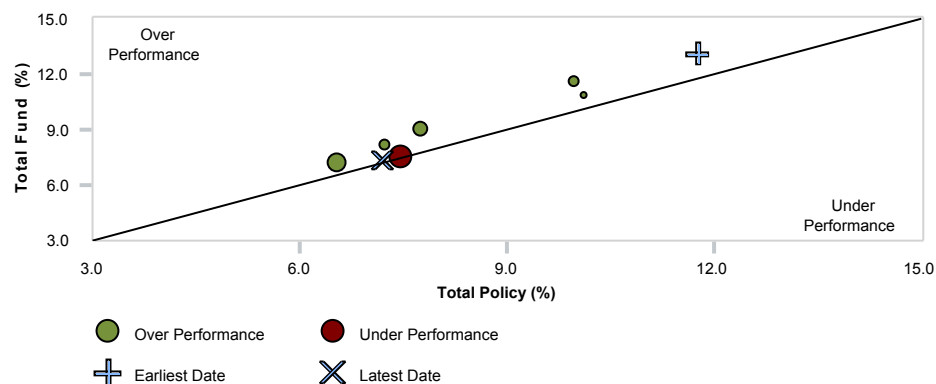
	QTR	FYTD	1 YR	2 YR	3 YR	4 YR	5 YR
● Total Fund	3.54 (44)	6.79 (39)	10.55 (21)	5.22 (17)	7.30 (8)	8.75 (14)	10.75 (12)
● Total Policy	2.77 (80)	8.35 (5)	11.02 (12)	5.80 (4)	7.21 (11)	8.16 (33)	N/A
Median	3.42	6.42	9.62	4.30	6.18	7.71	9.62

	2015	2014	2013	2012	2011
● Total Fund	0.40 (39)	8.15 (16)	19.39 (21)	11.91 (69)	-2.51 (96)
● Total Policy	-0.34 (62)	8.68 (8)	15.51 (68)	11.24 (81)	N/A
Median	0.02	6.72	16.83	12.66	0.17

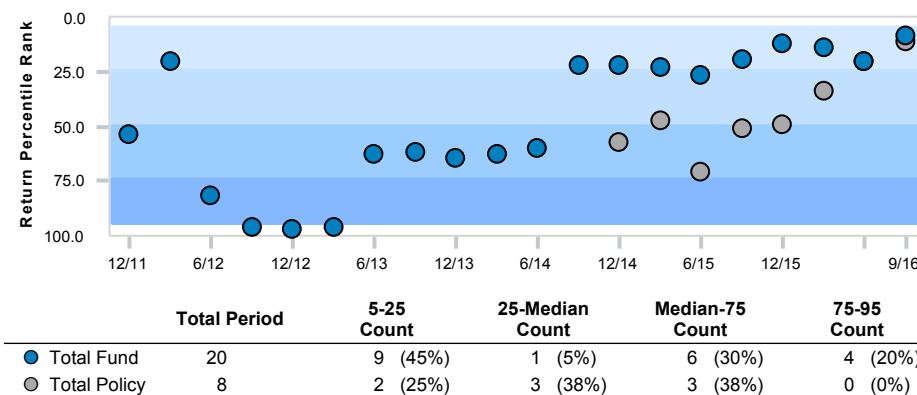
### Comparative Performance

	1 Qtr Ending Jun-2016	1 Qtr Ending Mar-2016	1 Qtr Ending Dec-2015	1 Qtr Ending Sep-2015	1 Qtr Ending Jun-2015	1 Qtr Ending Mar-2015
Total Fund	1.91 (50)	1.20 (41)	3.52 (18)	-4.54 (30)	0.16 (31)	1.42 (95)
Total Policy	2.76 (9)	2.60 (3)	2.47 (70)	-3.64 (9)	-1.00 (94)	1.96 (85)
All Public Plans-Total Fund Median	1.91	1.04	2.88	-5.04	-0.11	2.43

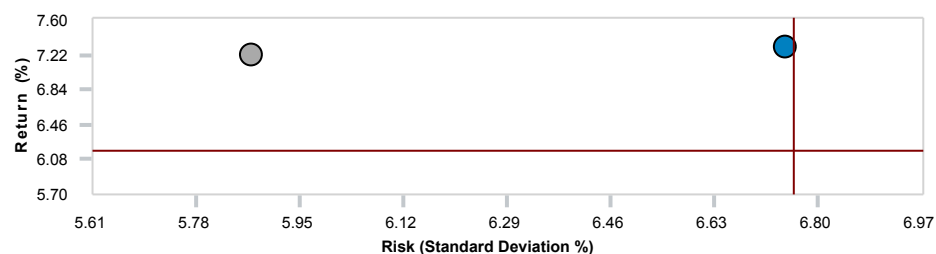
### 3 Yr Rolling Under/Over Performance - 5 Years



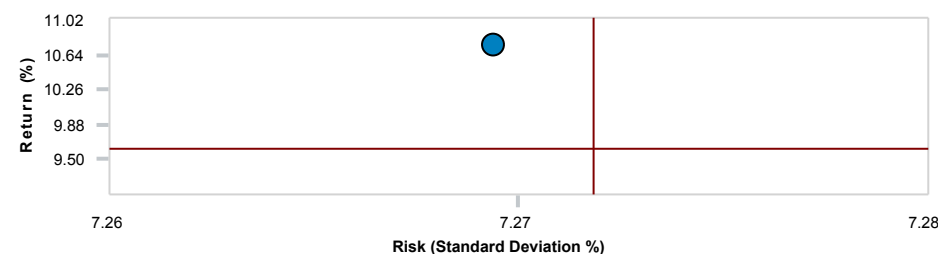
### 3 Yr Rolling Percentile Ranking - 5 Years



### Peer Group Scattergram - 3 Years



### Peer Group Scattergram - 5 Years



### Historical Statistics - 3 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	2.01	105.39	110.32	-0.59	0.07	1.07	1.10	3.60
Total Policy	0.00	100.00	100.00	0.00	N/A	1.20	1.00	3.10

### Historical Statistics - 5 Years

	Tracking Error	Up Market Capture	Down Market Capture	Alpha	Information Ratio	Sharpe Ratio	Beta	Downside Risk
Total Fund	N/A	N/A	N/A	N/A	N/A	1.43	N/A	3.49
Total Policy	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

### Fund Information

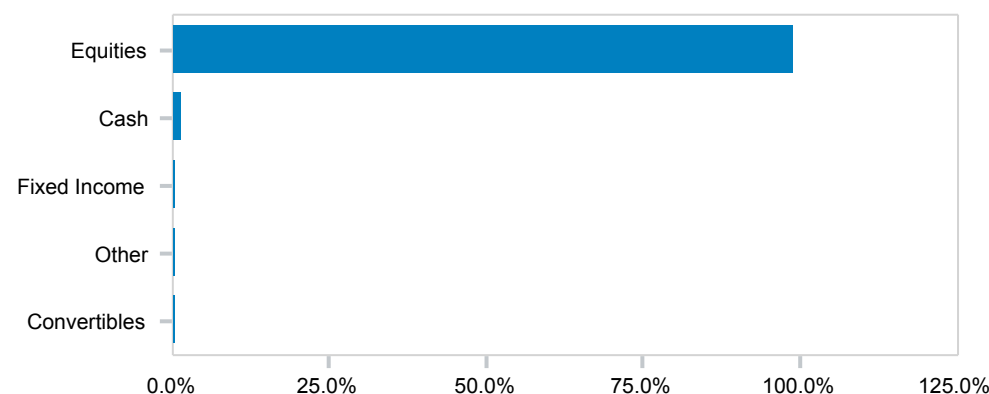
Fund Name : Dodge & Cox Funds: Dodge & Cox Stock Fund  
Fund Family : Dodge & Cox  
Ticker : DODGX  
Inception Date : 01/04/1965  
Fund Assets : \$56,553 Million  
Portfolio Turnover : 15%

Portfolio Assets : \$56,553 Million  
Portfolio Manager : Team Managed  
PM Tenure :  
Fund Style : IM U.S. Large Cap Value Equity (MF)  
Style Benchmark : Russell 1000 Value Index

### Fund Investment Policy

The Fund seeks long-term growth of principal and income. A secondary objective is to achieve a reasonable current income.

### Asset Allocation As of 06/30/2016



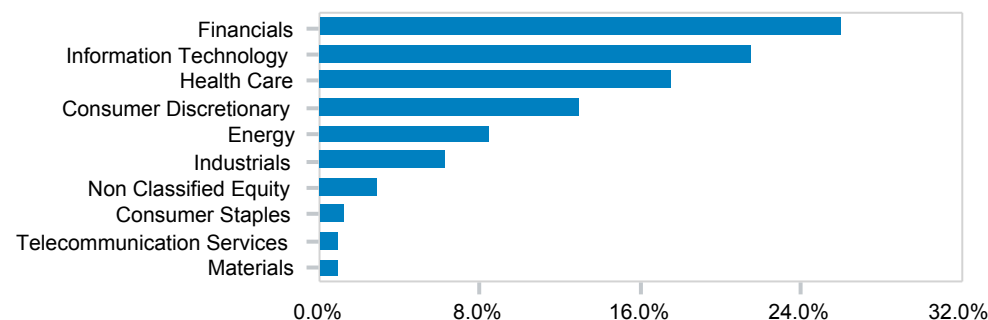
### Fund Characteristics As of 06/30/2016

Total Securities 67  
Avg. Market Cap \$95,811 Million  
P/E 22.6  
P/B 2.8  
Div. Yield 2.3%  
Annual EPS -4.1  
5Yr EPS 5.9  
3Yr EPS Growth 6.4

### Top Ten Securities As of 06/30/2016

Wells Fargo & Co ORD	3.6 %
Capital One Financial Corp ORD	3.5 %
Bank of America Corp ORD	3.2 %
Hewlett Packard Enterprise Co ORD	3.2 %
Comcast Corp ORD	3.1 %
Time Warner Inc ORD	3.0 %
Novartis AG DR	2.9 %
Charles Schwab Corp ORD	2.9 %
Charter Communications Inc ORD	2.9 %
Microsoft Corp ORD	2.9 %

### Sector/Quality Allocation As of 06/30/2016



Portfolio Characteristics (Benchmark: Russell 1000 Growth Index)

	Portfolio	Benchmark
Wtd. Avg. Mkt. Cap (\$)	129,216,520,012	147,012,431,352
Median Mkt. Cap (\$)	31,791,523,320	9,004,537,730
Price/Earnings ratio	30.7	23.3
Price/Book ratio	5.0	5.5
5 Yr. EPS Growth Rate (%)	13.3	11.7
Current Yield (%)	0.8	1.5
Beta	N/A	1.00
Number of Stocks	87	599

Ten Best Performers (Benchmark: Russell 1000 Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
NVIDIA Corp	0.8	0.3	0.5	46.0
Schwab (Charles) Corp	1.1	0.3	0.8	25.0
Pioneer Natural Resources	0.7	0.0	0.7	22.8
FleetCor Technologies Inc	1.3	0.2	1.1	21.4
Edwards Lifesciences Corp	0.5	0.2	0.3	20.9
Canadian Pacific Railway	0.9	0.0	0.9	19.6
Biomarin Pharmaceutical Inc	0.3	0.1	0.2	18.9
Apple Inc	1.7	5.4	-3.7	18.9
Priceline Group Inc (The)	1.6	0.7	0.9	17.9
Xylem Inc	0.3	0.0	0.3	17.8

Top Ten Equity Holdings (Benchmark: Russell 1000 Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Qtr Rtrn
Amazon.com Inc	4.8	3.1	1.7	17.0
Facebook Inc	4.8	2.7	2.1	12.2
Alphabet Inc	3.9	2.2	1.7	14.3
Visa Inc	3.9	1.5	2.4	11.7
Microsoft Corp	2.7	4.1	-1.4	13.3
Adobe Systems Inc	2.7	0.5	2.2	13.3
Alphabet Inc	2.7	2.2	0.5	12.3
Mastercard Inc	2.6	0.9	1.7	15.8
Thermo Fisher Scientific Inc	2.4	0.3	2.1	7.8
SBA Communications Corp	2.0	0.1	1.9	3.9

Ten Worst Performers (Benchmark: Russell 1000 Growth Index)

	Portfolio Wt	Benchmark Wt	Active Wt	Quarterly Rtrn
Bristol-Myers Squibb Co	0.9	0.9	0.0	-26.7
Tractor Supply Co	0.4	0.1	0.3	-25.9
lululemon athletica inc	0.2	0.1	0.1	-17.4
Cognizant Technology	0.9	0.3	0.6	-16.6
Dollar Tree Inc	1.4	0.2	1.2	-16.2
Mead Johnson Nutrition Co	0.3	0.1	0.2	-12.5
Reynolds American Inc	0.5	0.2	0.3	-11.8
McKesson Corp	0.7	0.4	0.3	-10.5
salesforce.com Inc	1.5	0.4	1.1	-10.2
Monster Beverage Corp	0.6	0.2	0.4	-8.6

Buy and Hold Sector Attribution (Benchmark: Russell 1000 Growth Index)

	Allocation		Performance		Stock	Attribution	
	Portfolio	Benchmark	Portfolio	Benchmark		Sector	Total
Consumer Discretionary	20.6	20.9	1.76	2.80	-0.22	0.00	-0.21
Consumer Staples	9.4	10.6	-2.53	-4.88	0.22	0.11	0.33
Energy	0.9	0.6	18.91	12.47	0.06	0.02	0.08
Financials	3.1	5.7	10.50	1.25	0.28	0.09	0.37
Health Care	14.9	17.1	-0.05	2.08	-0.32	0.06	-0.26
Industrials	8.3	10.8	5.02	2.96	0.17	0.04	0.21
Information Technology	34.5	29.3	9.80	12.38	-0.89	0.41	-0.48
Materials	4.3	3.6	-3.52	3.56	-0.30	-0.01	-0.31
Telecommunication Services	2.0	1.3	3.91	-4.15	0.16	-0.06	0.10
Utilities	0.0	0.1	0.00	-1.77	0.00	0.00	0.00
Cash	2.0	0.0	0.07	0.00	0.00	-0.09	-0.09
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>4.33</b>	<b>4.58</b>	<b>-0.84</b>	<b>0.58</b>	<b>-0.26</b>

Portfolio Comparison

	MFS Equity Investment
<b>Market Capitalization (%)</b>	
Greater than 25000M	77.5
16000M To 25000M	11.2
12000M To 16000M	4.7
8000M To 12000M	3.7
5000M To 8000M	1.2
3000M To 5000M	0.3
Cash	1.4



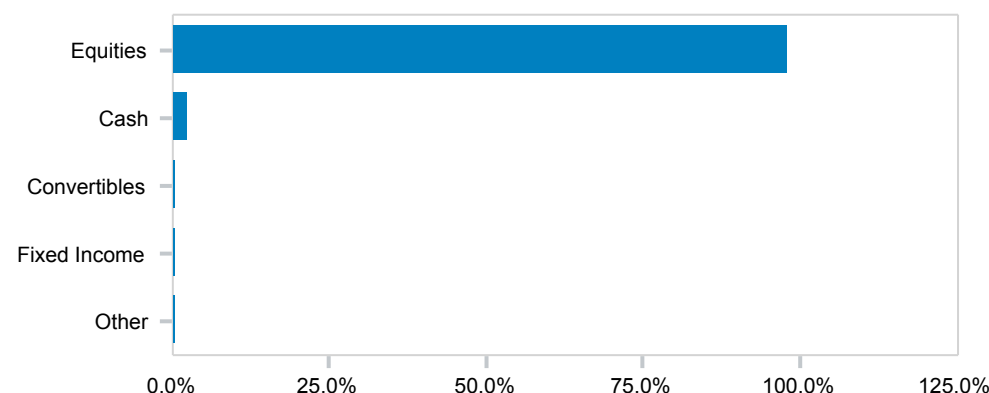
### Fund Information

Fund Name :	Lord Abbett Securities Trust: Lord Abbett Value Opportunities Fund; Class I Shares	Portfolio Assets :	\$2,741 Million
Fund Family :	Lord Abbett & Co LLC	Portfolio Manager :	Maher/Maurer
Ticker :	LVOYX	PM Tenure :	2008--2007
Inception Date :	12/20/2005	Fund Style :	IM U.S. Mid Cap Core Equity (MF)
Fund Assets :	\$492 Million	Style Benchmark :	Russell Midcap Index
Portfolio Turnover :	47%		

### Fund Investment Policy

The Fund seeks long-term capital appreciation. To pursue this goal, the Fund normally invests at least 80% of its net assets, plus the amount of any borrowings for investment purposes, in equity securities of small and mid-sized companies.

### Asset Allocation As of 03/31/2016



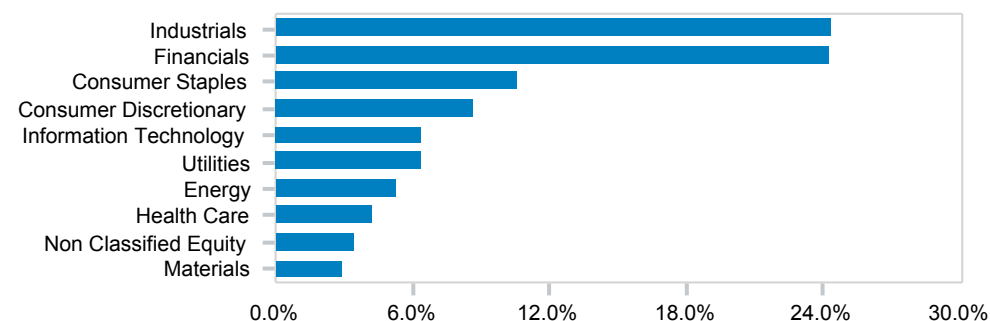
### Fund Characteristics As of 03/31/2016

Total Securities	74
Avg. Market Cap	\$6,614 Million
P/E	30.6
P/B	3.5
Div. Yield	2.3%
Annual EPS	7.1
5Yr EPS	12.3
3Yr EPS Growth	13.3

### Top Ten Securities As of 03/31/2016

Federal Realty Investment Trust	2.8 %
Renaissancere Holdings Ltd ORD	2.5 %
AECOM ORD	2.2 %
STERIS plc ORD	2.1 %
Reliance Steel & Aluminum Co ORD	2.1 %
Booz Allen Hamilton Holding Corp ORD	2.1 %
Jarden Corp ORD	2.0 %
CMS Energy Corp ORD	2.0 %
Pinnacle Foods Inc ORD	1.9 %
Fidelity National Information Services Inc ORD	1.8 %

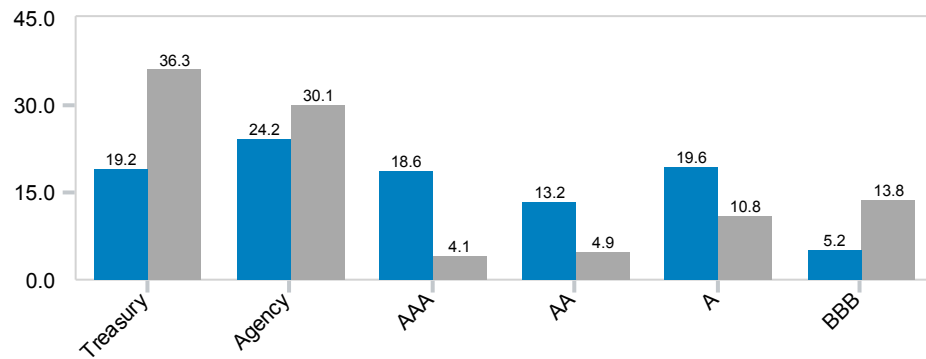
### Sector/Quality Allocation As of 03/31/2016



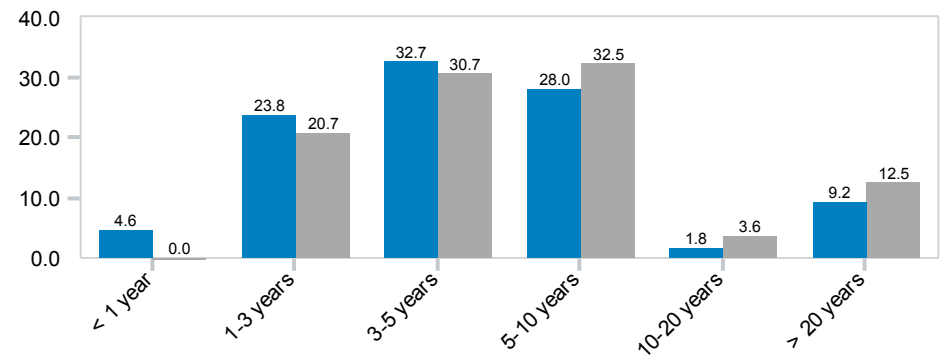
## Portfolio Characteristics

	Portfolio	Benchmark
Avg. Maturity	6.67	7.82
Avg. Quality	Aa2	AA1/AA2
Coupon Rate (%)	2.76	3.09
Current Yield	2.65	2.89
Effective Duration	5.36	5.51

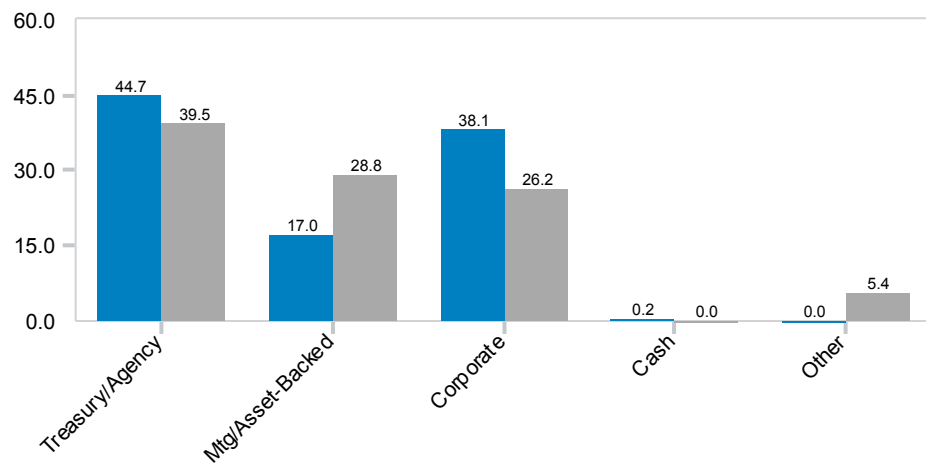
## Credit Quality Distribution (%)



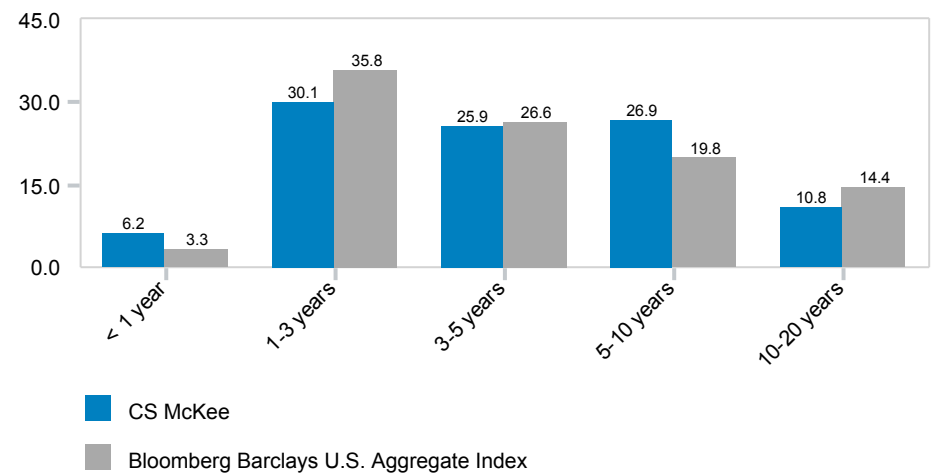
## Maturity Distribution (%)



## Sector Distribution (%)



## Duration Distribution (%)



CS McKee

Bloomberg Barclays U.S. Aggregate Index

# Comparative Performance

## Total Fund Net

As of September 30, 2016

Comparative Performance					
	QTR	FYTD	1 YR	3 YR	5 YR
<b>VEBA Total Fund</b>	<b>3.51</b>	<b>6.69</b>	<b>10.39</b>	<b>7.02</b>	<b>10.31</b>
VEBA - Total Fund Policy	2.77	8.35	11.02	7.21	N/A
<b>Total Domestic Equity</b>	<b>5.86</b>	<b>7.72</b>	<b>14.09</b>	<b>8.98</b>	<b>N/A</b>
VEBA - Total Domestic Equity Policy	4.84	10.39	16.00	9.78	N/A
Russell 3000 Index	4.40	8.18	14.96	10.44	16.36
Dodge & Cox Stock Fund (DODGX)	8.79	9.54	14.52	8.91	N/A
Russell 1000 Value Index	3.48	10.00	16.19	9.70	16.15
MFS Equity Investment	4.48	4.35	N/A	N/A	N/A
Russell 1000 Growth Index	4.58	6.00	13.76	11.83	16.60
Lord Abbett (LVOVX)	4.40	10.50	12.44	9.01	N/A
Russell 2500 Value Index	6.18	14.51	17.68	8.05	16.29
<b>Total Domestic Fixed Income</b>					
CS McKee	0.40	5.47	5.23	4.11	N/A
Bloomberg Barclays U.S. Aggregate Index	0.46	5.80	5.19	4.03	3.08
<b>Cash W/Income Lending</b>	<b>1.48</b>	<b>3.72</b>	<b>4.24</b>	<b>1.40</b>	<b>0.84</b>
90 Day U.S. Treasury Bill	0.07	0.19	0.18	0.09	0.08

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

**VEBA - Bay County  
Fee Analysis  
As of September 30, 2016**

	Estimated Annual Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)	Fee Schedule
<b>VEBA Total Fund</b>	<b>0.50</b>	<b>45,465,406</b>	<b>225,082</b>	
<b>Total Domestic Equity</b>	<b>0.64</b>	<b>26,381,272</b>	<b>168,272</b>	
Dodge & Cox Stock Fund (DODGX)	0.52	8,856,759	46,055	0.52 % of Assets
MFS Equity Investment	0.57	8,593,769	48,984	0.57 % of Assets
Lord Abbett (LVOVX)	0.82	8,930,743	73,232	0.82 % of Assets
<b>Total Domestic Fixed Income</b>	<b>0.30</b>	<b>18,936,681</b>	<b>56,810</b>	
CS McKee	0.30	18,936,681	56,810	0.30 % of First \$20 M 0.25 % of Next \$20 M 0.25 % Thereafter
Cash W/Income Lending		147,453	-	

**VEBA Total Fund Policy**

<b>Allocation Mandate</b>	<b>Weight (%)</b>
<a href="#"><b>Jan-2012</b></a>	
Russell 1000 Index	33.00
Russell 2500 Value Index	20.00
Bloomberg Barclays U.S. Aggregate Index	47.00

**VEBA Total Domestic Equity Policy**

<b>Allocation Mandate</b>	<b>Weight (%)</b>
<a href="#"><b>Jan-2012</b></a>	
Russell 1000 Index	62.00
Russell 2500 Value Index	38.00

<b>Active Return</b>	- Arithmetic difference between the manager's performance and the designated benchmark return over a specified time period.
<b>Alpha</b>	- A measure of the difference between a portfolio's actual performance and its expected return based on its level of risk as determined by beta. It determines the portfolio's non-systemic return, or its historical performance not explained by movements of the market.
<b>Beta</b>	- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of the portfolio's systematic risk.
<b>Consistency</b>	- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. Higher consistency indicates the manager has contributed more to the product's performance.
<b>Distributed to Paid In (DPI)</b>	- The ratio of money distributed to Limited Partners by the fund, relative to contributions. It is calculated by dividing cumulative distributions by paid in capital. This multiple shows the investor how much money they got back. It is a good measure for evaluating a fund later in its life because there are more distributions to measure against.
<b>Down Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of negative returns. A lower value indicates better product performance
<b>Downside Risk</b>	- A measure similar to standard deviation that utilizes only the negative movements of the return series. It is calculated by taking the standard deviation of the negative quarterly set of returns. A higher factor is indicative of a riskier product.
<b>Excess Return</b>	- Arithmetic difference between the manager's performance and the risk-free return over a specified time period.
<b>Excess Risk</b>	- A measure of the standard deviation of a portfolio's performance relative to the risk free return.
<b>Information Ratio</b>	- This calculates the value-added contribution of the manager and is derived by dividing the active rate of return of the portfolio by the tracking error. The higher the Information Ratio, the more the manager has added value to the portfolio.
<b>R-Squared</b>	- The percentage of a portfolio's performance that can be explained by the behavior of the appropriate benchmark. A high R-Squared means the portfolio's performance has historically moved in the same direction as the appropriate benchmark.
<b>Return</b>	- Compounded rate of return for the period.
<b>Sharpe Ratio</b>	- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is an absolute rate of return per unit of risk. A higher value demonstrates better historical risk-adjusted performance.
<b>Standard Deviation</b>	- A statistical measure of the range of a portfolio's performance. It represents the variability of returns around the average return over a specified time period.
<b>Total Value to Paid In (TVPI)</b>	- The ratio of the current value of remaining investments within a fund, plus the total value of all distributions to date, relative to the total amount of capital paid into the fund to date. It is a good measure of performance before the end of a fund's life
<b>Tracking Error</b>	- This is a measure of the standard deviation of a portfolio's returns in relation to the performance of its designated market benchmark.
<b>Treynor Ratio</b>	- Similar to Sharpe ratio but utilizes beta rather than excess risk as determined by standard deviation. It is calculated by taking the excess rate of return above the risk free rate divided by beta to derive the absolute rate of return per unit of risk. A higher value indicates a product has achieved better historical risk-adjusted performance.
<b>Up Market Capture</b>	- The ratio of average portfolio performance over the designated benchmark during periods of positive returns. A higher value indicates better product performance.

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The Bogdahn Group uses time-weighted calculations which are founded on standards recommended by the CFA Institute. The calculations and values shown are based on information that is received from custodians. The Bogdahn Group analyzes transactions as indicated on the custodian statements and reviews the custodial market values of the portfolio. As a result, this provides The Bogdahn Group with a reasonable basis that the investment information presented is free from material misstatement. This methodology of evaluating and measuring performance provides The Bogdahn Group with a practical foundation for our observations and recommendations. Nothing came to our attention that would cause The Bogdahn Group to believe that the information presented is significantly misstated.

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